

VOLUME III. LANDS.

IN THE

District Court of the United States

FOR THE

Northern District of California

SECOND DIVISION

SPRING VALLEY WATER COMPANY,
Plaintiff,

vs.

CITY AND COUNTY OF SAN FRAN-
CISCO, Et AL.,
Defendants.

Nos. 14,735, 14,892,
15,131, 15,344, 15,569,
Circuit Court of U. S.,
Ninth Judicial Cir-
cuit, Northern Dis-
trict of California,
and 26 and 96 District
Court of U. S. North-
ern District of Cali-
fornia, Second Divis-
ion.

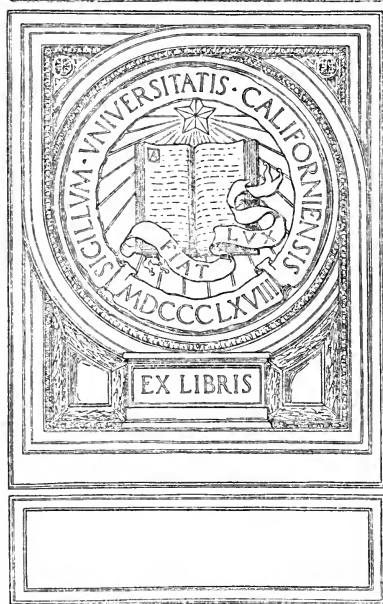
ABSTRACT OF TESTIMONY TAKEN BEFORE HONORABLE
H. M. WRIGHT, STANDING MASTER IN CHANCERY FOR
THE DISTRICT COURT OF THE UNITED STATES IN
AND FOR THE NORTHERN DISTRICT OF CALIFORNIA,
SECOND DIVISION, IN THE PROCEEDING ENTITLED
SPRING VALLEY WATER COMPANY vs. THE CITY
AND COUNTY OF SAN FRANCISCO, Et AL., IN EQUITY
NOS. AS ABOVE.

For Defendants:

JOSEPH V. LONG, Esq.
JESSE H. STEINHART, Esq.
ROBERT M. SEARLS, Esq.

EDWARD J. McCUTCHEN, Esq.,
WARREN OLNEY, JR., Esq.,
A. C. GREENE, Esq.,
Solicitors for Plaintiff.

UNIVERSITY OF CALIFORNIA
LOS ANGELES



Witness: JOHN ROGGE, for Defendant.

Questioned by Master.

I am 68 years old.

DIRECT EXAMINATION BY MR. SEARLS.

I reside on Alviso Road, about 2½ miles from Milpitas. I have been raising cattle, and am now raising apples. I have raised cattle for 20 years, up in Sections 19, 24 and 13. I had 18 rented, too. I went up on Oak Ridge as far as Sections 17, 7 and 5, and I had cattle all through Black Mountain. I did not know those sections; I rented them from McLaughlin & Co., except a little that I rented from the Spring Valley. I paid McLaughlin & Co. \$80 per year per section.

Questioned by Master.

That was 6 or 7 years ago. On the Alameda I had Section 15 and a piece of 22, and 23, 13 and 19. Section 19 is in Range 2 East, 5 South.

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DIRECT EXAMINATION BY MR. SEARLS.

All these sections are in Township 5 South, Range 2 East. On Black Mountain I had Sections 5, 7, 9 and 17. During the years that I had these sections, I ran 20 or 25 head of cattle on the section a good many times. I did not aim to carry all the section would possibly carry, for if I did there would be no feed. This is in reference to the section up on top of the ridge.

I carried 35 head on the sections lower down, 19 and 24. 24 is pretty good feed; there is oats, and some little clover, and some poverty grass. There was some alfileria, but not much. There is no alfileria on 19; that is, right on top.

The sections on the Mount Day road had poverty grass and hog grass, or fox tail. I did not find any alfileria and clover in there. There is some alfileria and clover on the sidehills down toward Calaveras and Alameda, but it is not a thick growth. There are little patches here and there, but not frequently. The most alfileria and clover is on 19 and 24; those are the best two sections I ever rented. I do not think I paid 50 cents an acre for the land I rented from the Spring Valley Water Co. I don't think I paid over 25 cents, and I know it was not over 50 cents. I used to rent the Johnny Brannon place, Section 18, and some of it lies very close to the Alameda. That which is on the north sidehill is very little good. Right on top there is good feeding land.

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Referring to the Calaveras range lands in the spring of the year, you might put 50 head of cattle to the section, and then take them down in the valley when you can get stubble. That is what I always did. I rented Calaveras Valley nearly all the time from the people that were farming there. Carson and Wells were there. When there

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was not enough some years. I had the Warm Springs ranch, too, which I rented from Henry Able.

CROSS EXAMINATION BY MR. MCCUTCHEN.

3056 Mr. Searls first talked to me about becoming a witness. I first saw him, I guess, when he was down there by my house on the Alviso road. I used to take my cattle down on the floor of Calaveras Valley 12 or 14 years ago, and I used to graze them there right where Mr. Carson and Mr. Wells were. I could not tell you when Mr. Wells left the valley. I know that the company did not prevent the grazing of cattle on the floor of the valley. I never grazed on Mr. Carson's land which he had under lease, but I was on Mr. Wells'. Mr. Carson was there while Wells was there. Both Bill Carson and Dick Carson are dead now. I have never had any disagreement with the Spring Valley Co., or with any of its employees. I was a lessee of those lands, I guess, 8 or 10 years ago, and the largest area that I had at any one time from the water company, consisted of 2 or 3 sections. At the time I had the water company's lands under lease, I had Section 15, and some of 22, and 13, and 19, and half of 24 of the McLaughlin land
3057 under lease. The McLaughlin's owned 13 and 19 at that time.

Questioned by Master.

It was above the dam, and not down by Black Mountain. It was up on Grape Vine. Oak Ridge is to the right.

CROSS EXAMINATION BY MR. MCCUTCHEN.

3058 I had Section 13, which I leased first from McLaughlin, and afterward from Spring Valley. It may be 15 years ago that I leased that from McLaughlin. I first went into that country in 1880 when I started into the cattle business. It was years afterwards that I first leased land from the Spring Valley Water Co. I rented Section 13 from the McLaughlin Company first, but I could not tell you now when I last leased it. It was a good many years ago. I do not think that Spring Valley could have bought Section 13 in 1875, because I rented from the McLaughlin Company first, and then from the Spring Valley.

3059 I can tell you the sections that I had under lease at one time, but I cannot tell you on which sections I had a lease at any one particular time.

3060 I had Sections 18, 19 and a quarter or so of 22, which belonged to the McLaughlins, then I had 23 and 13 above, and I had half of 24. I had all of these at one time. Then, going to Black Mountain; I had 7, 5, 9 and 17 for years. That was 15 or 20 years ago. I had all of these lands under lease for ten years. I guess I was a lessee of the Spring Valley Water Co. for 8 or 10 years. I only had Section 18 under lease from the water company a year or two. Section 24 I had under lease from the water company several years before that. I do

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SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

not know what year it was that I got this lease from the water company. I had the whole of Section 24, I guess, eight or nine years. That was about 14 or 15 years ago. My lease continued 7 or 8 years I guess. I leased until they wanted me to fence it, and I would not fence it, and then Bill Parks fenced it. I wanted to continue the lease at that time without fencing the land, and the company would not let me do it, but I was not displeased at that. I would have liked to continue with the lease without fencing the land. I had a good deal more land than is there now. I had the creek bottom and the whole thing. I do not know whether Mr. Parks is willing to pay more rental for the range than I have been paying. I never went there when it was for rent, because I got two letters that if I wanted to rent it I should come, but I didn't go, as I didn't want to fence it, and I would not pay any more than I paid before. The company wanted me to fence it, but I would not do it, and I would not pay any more rent.

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RE-DIRECT EXAMINATION BY MR. SEARLS.

I never saw any of the people in court here now, up there. I saw you on Oak Ridge, but I didn't know you, I pass so many there.

ABSTRACT OF TESTIMONY FOR COMPLAINANT.

FORTY-FIFTH HEARING. OCTOBER 19, 1915.

Witness: DUNCAN McDUFFIE, for Plaintiff.

McDuffie

DIRECT EXAMINATION BY MR. OLNEY.

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I am engaged in the real estate business, and have been so engaged in Berkeley and San Francisco since 1905. I am 38 years of age. I have been in the real estate business as a member of the firm of Mason-McDuffie Co. I am, and have been acquainted with the Lake Merced lands of the Spring Valley Water Co. since the spring of 1912. I have handled property in that immediate vicinity in the years 1912, 1913, 1914 and 1915, as owner and agent of the tract known as St. Francis Wood. This tract is opposite the northeastern corner of the Lake Merced Rancho, and is east and north of the northeast corner of said rancho. I am acquainted with the going value of land in that locality, and have been since early in 1912. I am acquainted with the going value of the lands of the Spring Valley Water Co. I am acquainted with the market value, which is the figure at which land can be expected to change hands, and at which it has changed hands.

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I have been employed to appraise the lands of the Spring Valley Water Co. as of December 31, 1913, and I made a very careful ex-

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amination of the property, and a careful investigation into the factors of value of the property, and by factors of value, I mean the sum of all the influences that create value in all property in the city, plus the influences that affect the particular property under consideration. I looked very carefully into sales and offers for property in the vicinity.

3068 I did not consider the availability or value of these lands for furnishing water, and my examination was based upon the availability of the property for other uses, entirely. The Merced lands of the Spring Valley Water Co. are valuable mainly for residential purposes. One small tract is suitable for retail business. A portion may be suitable for industrial development, or for industrial development in combination with residential development. The northwestern portion is suitable for development as a pleasure or recreation park.

At the present time, the property is not subdivided, and I consider it in its present condition wholly as acreage property. I have purchased, prepared for sale, and sold in subdivisions approximately 1000 acres in Berkeley and vicinity, which in dollars and cents amounts to between \$6,000,000 and \$10,000,000. I have also had active charge of the subdivisions of the St. Francis Wood.

Questioned by Master.

The above figures represent retail sales value, and are also only the merest approximation.

DIRECT EXAMINATION BY MR. OLNEY.

3069 The St. Francis Wood property, when purchased, was unsubdivided, and since its purchase, about 60 acres has been subdivided into lots, improved for sale, and in part sold. The reason for the purchase of this property in the first instance was subdivision and putting it on the market. Since 1905 I have given very careful study to the subject of purchasing acreage property in or near a city and subdividing it. I had not only investigated the conditions in Berkeley and San Francisco, but also in other cities in the United States, I have made investigations with reference to this subject.

The Spring Valley property—Lake Merced Rancho—occupies a very unique and strategic position in San Francisco. This condition is the fact that this very large body of land, over 2500 acres, lies in its original condition within 40 minutes of the business part of the city, and in that original condition is susceptible of subdivision and sale according to the most improved and established methods of subdivision methods that will produce the highest possible return from the enterprise.

It is unique in this, practically the whole area of the city, with the exception of the Lake Merced Rancho, and a portion of the Suto properties—San Miguel Rancho—has already been subdivided into blocks, without any reference to the topography of the land which

was being subdivided. Also this property is no longer owned en bloc, but is held by many owners, and was sold with a very few exceptions, without restrictions against nuisances. It is recognized that it is of tremendous advantage in establishing residential values to be able to restrict the use of property in such a way that a nuisance may not enter it. The Lake Merced Rancho, and a portion of the San Miguel Rancho have the advantage of being large areas of land close to the business center of the city, and may be subdivided, improved, and subjected to restrictions that will establish and maintain proper residential values. That, I consider a tremendous advantage.

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I think it is generally agreed by authorities on the subject of city land values that there is no land in cities that shows greater change in values than residential property, and that is almost entirely due to the change in the character of the property wrought by the inroad of nuisances, which results in the movement of the residents of one section to another section, with a consequent depreciation in the values of the first section. That has been true in San Francisco, as some of the older and more fashionable resident sections of San Francisco have given way to flats, and finally to tenements, or a poor class of business, with a resulting depreciation in residential values.

Questioned by Master.

By restrictions against nuisances, I mean an agreement between the purchasers of the property, in which the purchaser agrees not to make any use of his property that will depreciate the value of adjoining property in consideration of the owners of the adjoining property making similar agreements. The most important restriction is the restriction against nuisances, and by that I mean against any character of business or building that would make the section less desirable for residences. That would include all kinds of manufacturing, wholesale and retail business, stables, undertaking establishments, laundries, lumber and material yards, railroad yards or switches, and in the higher class residential properties it would include flats and apartment houses. Another restriction is one limiting the minimum amount that may be spent for the residences to be erected, and another one is one establishing a set-back for residences from the streets in order to give an open and parklike character to the streets.

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DIRECT EXAMINATION BY MR. OLNEY.

By set-back for residences, I mean that every house shall not approach closer to the street than a certain distance from the line. Other restrictions have to do with the occupancy of the property by people of alien or so-called undesirable races. Restrictions may also be applied to the use of the property by the individual, so as to prohibit the maintenance of a private stable, chicken yard, or anything of that character.

3072 The topography of Lake Merced Rancho with relation to its availability for a residential section is nearly perfect; much more so than one ordinarily finds in land for subdivision. The land slopes almost uniformly from the Junipero Serra Boulevard on the east to the lakes, dropping about 190 or 200 feet in that distance, which gives a gradient of 3 to 4%. On the opposite side of the lakes the hills rise to an elevation of 200 feet, somewhat more rapidly than on the east side of the lake. The land on the east side is cut into by three or four main gullies, some of which can be very easily treated, and others of which would require greater expense in development than the main body of the land. On the whole, the topography of the Lake Merced Rancho is very much better than the average for residential development, and the cost of development will be much lower on account of the good topography.

3073 In regards to transportation: The northern portion is paralleled by Sloat Boulevard, on which there are tracks of the United Railroads, over which the Ocean Avenue cars run from the city to the beach. Car No. 17 comes to the junction of 19th Avenue with Sloat Boulevard, and then runs east to Junipero Serra Boulevard, and down that boulevard to Ocean Avenue. It is also served by the Parkside Branch, which comes out at the corner of 39th Avenue and Sloat Boulevard, or thereabouts. The southern end of the property can be reached from the cars on the Mission Road, as well as by the Ocean Shore Railroad. There is immediate prospect of these transportation facilities being improved through the medium of the Twin Peaks Rapid Transit tunnel, which runs under Twin Peaks, and emerges about 3,000 feet from the northeastern corner of this property. From the northeastern corner of this property to the center of the city, when the tunnel project is through, will not be over 20 minutes, and from other portions of the property not more than 30 minutes. The engineers' plans contemplates a station for the street railroad at the northeast corner of this property.

In November, 1913, the Board of Supervisors had acted favorably upon the report of the engineer and of the Board of Works in regard to the building of this tunnel, and the creation of that assessment district. It was considered that that was the step that finally settled the fact that the tunnel would be built. The assessment had not been levied at that time, but action had been taken by the Board of Supervisors, by which the City undertook the project.

3074 There is a spur track known as the Lakmer Spur connected with the Southern Pacific, which runs across the property to the South Lakes. The Ocean Shore Railroad also runs across this property. The presence of those tracks is of some importance with relation to the value of the property as an acreage proposition because they make it possible to bring the materials for the development of the property. All of the public conveniences, such as water, electricity and tele-

phone, can be furnished on the property at a minimum of cost. The Spring Valley Water Co. has reservoirs at an elevation greater than the elevation of any portion of this property, and its mains are on the avenues bordering the property. The Pacific Gas & Electric Co. has a high-pressure gas main on Ocean Avenue, and on Junipero Serra Boulevard, and there is also a high-pressure main on the Mission Road about two blocks from the southeastern corner of the rancho. That company also has main feed wires at the northeastern corner of the property. The telephone company has its cables installed to the same point.

The rancho, on account of its topography naturally falls into several divisions, and it does the same, in my opinion, as to use, and therefore I would say that different portions of the property add a different value. In order to determine the value of the property as a whole, I first valued it in the subdivisions in which I felt that it naturally fell. I have a map here which shows those subdivisions.

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Map offered in evidence, and received as "Plaintiff's Exhibit 45".

The parcels on the map delineated in yellow are the parcels into which I have divided the property for the purpose of valuation, and in addition I have made a larger subdivision, which is indicated by green lines. This latter subdivision was made because the property might be classified into three subdivisions; the first, marked "A", is residential property of the highest class; second, marked "B", is property suitable for subdivision into lots for mechanics or people of small means, or for industrial development in conjunction with residential development; division "C" is property which is more suitable for use as a pleasure park than for residential use.

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Parcel 1 might be set off as property suitable for business purposes. Parcel A is of a higher class than B. When I say residential property of the highest value, I also refer to it in relation to its value as compared with other residential value in the city. I consider Tract A is available as a residence section of the very highest class.

The subdivision of the tract was made by the engineers of the Spring Valley Water Co. at my suggestion, and the acreage of the individual parcels was determined by them, and I have used their acreage. I suggested these subdivisions upon the base of residential value, and I have valued each parcel separately. They are values on the land as a whole. The purpose of the subdivision was not to determine values should the land be sold in these subdivisions, but to determine the value of the property as a whole, and the sum total of the values which I have placed on these parcels is the value of the land as a whole.

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Parcel No. 1, situated at the northeast corner of the rancho, at the junction of Sloat Boulevard with Junipero Serra Boulevard, and opposite the end of Corbett Avenue, or Portola Drive. An important junction in the boulevard system of the city, and also the meeting

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point of the cars running from the business center, through the Mission, over Ocean Avenue, and the cars that come from the business center past the park over 19th Avenue. It is at the point of junction of those lines with the proposed rapid transit line through the Twin Peaks tunnel. Consists of approximately $8\frac{1}{2}$ acres, or about two city blocks. It is perfect so far as topography is concerned. Has long frontages on both Sloat Boulevard and Junipero Serra Boulevard. In my judgment can be devoted to retail shops, apartment houses, and the like; especially since the residential tracts opposite this corner have been restricted against business, and since it is my theory that the balance of this property should be restricted against business. I feel that the devotion of this much property to business is necessary. Considering this as the use to which it can be put, and its advantageous location, I value it at \$7,500 an acre, or a total of \$64,050 on this parcel.

3079 The property immediately opposite are the two tracts known as St. Francis Wood and Balboa Terrace. These tracts have been developed as high-class residential tracts, with street improvements of the first class, and have been sold subject to restriction.

(It is understood by Counsel for Plaintiff that the objection of Counsel for Defendant goes to all this testimony as to values.)

Parcel 2; lies between Sloat Boulevard on the north, and the North Lake, with the gully that extends from the North Lake toward Junipero Serra Boulevard on the south; bounded by Junipero Serra Boulevard and Tract 1 on the east, and by an arbitrary line determined somewhat by topography on the west. Quite perfect so far as topography is concerned, there being no gullies in it; the grading cost, and the preparations for subdivision will be of a minimum. It is served by the Ocean Avenue cars No. 12, and by car No. 17 at the junction of 19th Avenue and Sloat Boulevard, and by the Parkside car at about 39th Avenue and Sloat Boulevard; in fact, every foot of this property is within four or five minutes' walk of an existing car line.

I understand there is a projected car line down Sloat Boulevard to the ocean in connection with the Twin Peaks Tunnel project. The present running time from 19th Avenue and Sloat Boulevard to Fourth and Market Streets, is about 35 minutes; the running time from the most distant portion of this property to the center of the city is about 45 minutes.

3080 Opposite the northerly end of this property across Junipero Serra Boulevard there was sold in August, 1912, a 16-acre tract for \$5,333 per acre.

Questioned by Mr. Searls.

I am referring to the Balboa Terrace tract. In October, 1912, the Parkside Company received a firm offer of \$675,000 for 129 acres of the property north of Sloat Boulevard, which is an average price of

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

\$5,232 per acre. This information was furnished me by Mr. Green, the manager of the Parkside Company. (This was objected to formally by Counsel for Defendant as hearsay. Master stated that it would go in under the ruling which has admitted all this testimony.) In October, 1914, Rose Getz offered \$44,500 for 7.38 acres at the junction of Sloat Boulevard and 36th Avenue, which was an average price of \$6,043 an acre.

DIRECT EXAMINATION BY MR. OLNEY.

The land of the Parkside Co., for which an offer of over \$5,000 an acre was made, is much less attractive than parcel 2. The topography is more broken. It contained a depression known as Laguna Puerca, which was of considerable area; a portion of the property is drifting sand dunes. All of parcel 2 is land that has long been under cultivation, and in addition is very attractively wooded along Ocean Avenue, and particularly in the western end around the nursery. Parcel 2 is more easily susceptible of conversion into residence property than the Parkside property. Laguna Puerca is a depression which is filled a part of the year by storm waters and seepage. It is marshy in character. I have no other sales in this locality in mind, but in the summer of 1913 an offer was made for the Charles Sutro property, which fronts on Junipero Serra Boulevard, opposite this property.

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Questioned by Mr. Searls.

The source of my information as to the offer is Joseph A. Leonard, manager of the Urban Realty Improvement Co., who made the offer. Mr. J. E. Green, manager of the Parkside Company is the source of my information as to the Rose Getz offer, which offer she made to him.

(Discussion between Counsel as to the admissibility of this hearsay evidence. The Master stated that such testimony as has been allowed under his ruling will be taken only with the understanding that it will have to be supported by original evidence.)

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In 1913 Mr. Leonard, for the Urban Realty Improvement Co., offered Charles Sutro \$4,000 an acre for the tract in question, which offer was refused.

DIRECT EXAMINATION BY MR. OLNEY.

By the tract in question, I mean the property of Charles Sutro, opposite the north end of parcel 2. I was a party, myself, to a purchase of an interest in St. Francis Wood. The Westgate Park Co., in which Mr. Louis Titus, together with my associates in Berkeley and I were interested, purchased in April, 1912, the 176 acres now known as St. Francis Wood from the Residential Development Co., for \$3,000 per acre. In August, 1912, Mr. Titus received an offer of \$4,000 an acre for this property, the purchaser agreeing to reimburse

the Westgate Park Co. for any expenditures that had been made between its purchase in April and the time of the offer.

3085 Questioned by Master.

This matter passed through my hands. Mr. Titus was president of the company, and I was in active charge of the company. The matter was discussed by Mr. Titus, as an officer of the company, with me as an officer of the company. This was an offer for the property belonging to the Westgate Park Co. at that time, and it was an offer made to Mr. Titus as an officer of the Westgate Park Co. for all the holdings of the Westgate Park Co.

DIRECT EXAMINATION BY MR. OLNEY.

It was an offer to purchase the entire property of the Westgate Park Co.

Questioned by Master.

Mr. Titus was an officer of the company at that time, although I am not sure whether he was merely a director, or whether he then was president. I was an officer of the company at that time.

Questioned by Mr. Searls.

3086 The offer came from John Spring et al, and the matter was discussed informally, and it was decided that the majority of the stockholders did not wish to sell, and so they purchased Mr. Titus' interest in the company on a basis of \$4,000 per acre. This was absolutely a cash consideration.

DIRECT EXAMINATION BY MR. OLNEY.

Parcel 2, in view of the splendid situation and character of the property, and the sales actually made, and offers for adjacent property, I have valued at \$5,500 an acre for 303.85 acres, or a total of \$1,671,175.

Parcel 3, is a gully extending from the North Lake easterly to Junipero Serra Boulevard; quite steep on the sides, but fairly level in cross-section at the bottom. It is dry, sheltered and wooded in parts. All of it, in my opinion, is available for residential subdivision, either by being attached to the parcels on either side, or by building a roadway down the gully itself. Valuation \$2,000 per acre on 52.45 acres, total \$104,900.

3087 Parcel 4, fronts on Junipero Serra Boulevard, and runs westerly from this boulevard to the south arm of the North Lake. It is of almost uniform slope, except for a slight and easily filled depression in the southeastern corner; it is opposite Ingleside Terraces, a subdivision that has been developed with a high class of street work, and under restrictions that have produced a very substantial type of buildings. 123.41 acres at \$4,500 per acre, total \$555,300.

The first large purchase for residential subdivision in the vicinity was that of the Urban Realty Improvement Co., in April, 1911, in

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

which was purchased the property known as the Ingleside Racetrack at \$2,750 per acre. At that time there had been no development in any of the Sutro properties; it was in its original condition of forest land. Immediately south of Ingleside Terraces, there had been laid out and sold off a tract known as the City Land Association Tract. This property had been sold in 25 foot lots without restriction. The Merced Rancho was in its present condition at that time. The section was new and untried for high-class residential subdivision. The property itself offered serious difficulties from the engineering point of view, on account of the racetrack, and broken topography of the tract as a whole.

The effect of the Ingleside Terraces enterprise, and the St. Francis Wood enterprise, has been very great in establishing a high character for residence property in this vicinity; they have not only put the mark as a fine residential subdivision on their own property, but have shown the possibility of this locality for that purpose. This has undoubtedly had an effect on the value of the property immediately opposite the Merced Rancho. In the year 1911, which was the same year in which Ingleside Terraces was purchased by the Urban Realty Improvement Co., there was a partition of a portion of the Sutro lands, and in that partition, Charles Sutro, one of the heirs, accepted 100 acres at a valuation of \$2,750 an acre.

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Questioned by Mr. Searls.

The source of my information is Mr. Baldwin. This property lies across Ocean Avenue from Ingleside Terraces, and is the same property that Mr. Leonard offered \$4,000 per acre for in 1913, and which offer was refused.

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DIRECT EXAMINATION BY MR. OLNEY.

Parcel 5 is a narrow, steep, and badly drained gully, lying between parcels 4 and 6. It could not be used for residential purposes, but could be devoted to parking and recreation purposes to the benefit of the adjacent parcel, and considering it in that light, I value it at \$1,000 an acre on 14.51 acres, total \$14,510.

Parcel 6, on the south, is of the same character as parcel 4. It varies from it only in being at a little greater distance from the junction of Ocean Avenue with Junipero Serra Boulevard; it is perfect as far as topography is concerned, and has good views in all directions. In the southwestern corner there is a small depression, which is really an attraction, because it offers more shelter, and also because it is surrounded with forests. The entire southwestern corner of the properties is fairly well wooded with pine and cyprus. No more beautiful property for residential use could be found. Valuation on 299.34 acres of this parcel, \$3750 an acre, total \$1,122,525.

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I made a difference between this parcel and parcel 4 because it is further removed from existing transportation.

Parcel 7, west of parcel 6, and between the North and South Lakes, being a high plateau lying about 40 or 50 feet above the water level, of uniform topography, commanding fine views in all directions, and perfect for residential use. More valuable than 4 or 6 on account of its relation to the lakes, but of less value because it is more distant from transportation. 206.88 acres, \$3,250 an acre, total \$671,060.

Parcel 8, deep gully lying south of parcel 6, and extending from Junipero Serra Boulevard to South Lake, from 220 to 700 feet in width, and from 50 to 80 or 90 feet in depth. About two-fifths of it could be attached in subdivision to parcels 6 and 9, and the balance might be used for parkway, tennis courts, and other recreation purposes. Average value on 49.02 acres, \$1,250 an acre, total \$61,275.

3091 Parcel 9, south of parcel 8, and almost like parcel 6 in topography, having a uniform slope from Junipero Serra Boulevard westerly to the South Lake, a slope of only 3 or 4%; at the extreme western end of the property is a flat, shallow gully, which is no serious disadvantage to this property as a whole. It is, except only in point of location, of as high a value as parcel 6, except that the deep gullies occupying parcel 8 in a measure sets off parcel 9 from the remainder of the property to the north. The Ocean Shore Railroad runs through the upper corner of the property. 200.26 acres, at \$2,500 an acre, total \$500,650.

Parcel 10, was set off on account of its topography from the balance of the property. It is a double-headed gully, of considerable width, and not great depth, and on that account can probably be subdivided without difficulty; a part of the land would naturally be added to parcels 9 and 11 in subdivision, and the balance of it can be subdivided into small lots for bungalows and cottages. 60.58 acres at \$800 per acre, total \$48,464.

Parcel 11, a ridge lying between the gullies that occupy parcel 10 and 12, with considerable frontage on Junipero Serra Boulevard, and extending westerly to the old settling basin. This ridge commands fine views, and the parcel has to be valued in conjunction with the gullies on either side. It therefore takes a considerable smaller value than parcel 9. 59.4 acres at \$1,750 an acre, total \$103,950.

Parcel 12, a gully extending from Junipero Serra Boulevard to the old settling basin, about 600 feet wide, and 70 feet deep. The sides are quite steep in places. Some of it can be subdivided in conjunction with parcels 11 and 13, and the balance of it should be devoted to parkway and recreation. 53.33 acres at \$600 per acre, total \$31,998.

3092 Parcel 13, occupies the southeastern corner of the rancho fronting on Junipero Serra Boulevard. It is of good topography, except that about one-seventh of the acreage at the west end is broken and low; except for that it is quite uniform. The Ocean Shore Railroad

runs along the eastern and southern boundaries, and the Southern Pacific Railroad is a little less than one city square east of the eastern boundary, and the lines of the United Railroad are on Mission Road about three squares east. On account of its location, the development in the neighborhood, and the presence of two railroad lines, it can be best devoted either to subdivision into lots for mechanics and persons of moderate means, or used for combined industrial and residential development. 191.52 acres at \$1,500 an acre, total \$287,280. In the immediate neighborhood there was a sale made in April, 1914, of ten acres south of Orange Avenue, between the Southern Pacific tracks and Mission Road, for \$2500 per acre, to A. W. Scott.

Parcel 14, is the so-called settling basin. The outer portions of this tract have sufficient elevation to be used for residential purposes. The portion occupied by the settling basin can be easily drained, and when drained could be either used for residential purposes, or for park and recreational purposes. 48 acres at \$750 an acre, total \$36,000. In the acreages I have given, I have deducted the easement occupied by the Ocean Shore Railroad; the acreage being the net acreage of each parcel.

Parcels 15, 16, 17 and 18 taken together, are on the eastern slope of the ridge separating South Lake from the Ocean, and lie along the southerly boundary of the rancho. With the exception of parcel 17, which is somewhat broken in topography, they are capable of very easy development, although somewhat steeper in slope than the property on the eastern side of the rancho. Parcel 15 valued at \$1,000 an acre, for 41.37 acres, total \$41,370. Parcel 16, 66.12 acres at \$850 an acre, total \$56,202. Parcel 17, 54.94 acres at \$700 an acre, total \$38,458. Parcel 18, very much better than 17 in topography; the easterly portion of it is a very fine slope, commanding a beautiful view of the South Lake, and of the surrounding hills; the western portion is almost on the top of the ridge, and nearly level; this parcel contains 111.52 acres, valued at \$1,000 an acre, total \$111,520.

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Parcel 19, nearly level, lying on the top of the ridge separating the lakes from the ocean. It is at the extreme southwestern part of these properties, and commands magnificent views in both directions. 47.77 acres at \$700 an acre, total \$33,439.

Parcel 20, lying between the edge of the cliff and the ocean boundary of the property in the southwestern corner of the rancho. It consists of two steep slopes with a terrace between, and with a portion of the ocean beach below the last slope. 42.33 acres at \$200 an acre, total \$8,466. I put a low value on this parcel because of its topography. It is so steep and broken that very little of it could be utilized, except for cultivation for vegetable gardens. All of the terrace between the two steep slopes is now under cultivation and used for vegetable gardens. Its chief value is on account of the com-

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mand of the ocean frontage which it gives to the property immediately behind it, considered from a residential point of view.

Parcel 21, is perhaps the most beautiful tract on the west side of the South Lakes. It is on the easterly slope of the ridge between the lake and the ocean, and commands a magnificent view of the lake and the surrounding hills. Is of a good slope for subdivision; is partly wooded, and altogether, is most attractive for subdivision into somewhat larger parcels for residences. 100.79 acres at \$1500 per acre, total \$151,185.

Parcel 22, lies between the South Lake and the top of the ridge between the South Lake and the ocean, and is wholly on the easterly side of these hills. Portions are quite broken, but the slopes approaching the lake toward the south, and the top of the property itself, is quite susceptible of residential development in lots of good size. The whole to be reached by a roadway or boulevard from Sloat Boulevard. 115 acres at \$1,750 an acre, total \$201,250.

Parcel 23, lies between the top of the ridge separating the South Lake from the ocean, and the ocean itself; the portion between the cliffs and the top of the ridge while somewhat broken can be easily subdivided; the cliff itself, which is perhaps one-fifth of the total area, cannot be subdivided, but a long beach frontage has a very considerable value since it can be attached to the adjacent property that may be sold for residential purposes; it has a considerable value as a place of recreation for the whole tract. This parcel can be subdivided by a cliff drive running from Sloat Boulevard, and in my judgment can be sold in subdivisions for beach cottages or larger semi-country places, or semi-suburban places. 126.06 acres, at \$1,000 an acre, total \$126,060.

Parcel 24, a small parcel at the west end of the North Lake, commanding an uninterrupted view of that lake; it is near Sloat Boulevard, and for residential purposes is worth \$3,500 an acre; it contains 10.53 acres, its total valuation being \$36,855.

Parcel 25, also designated on the map as parcel C; fronts on the ocean and on Sloat Boulevard at its junction with the Great Highway. It is near, if not at, the recreation center of the City of San Francisco. It is protected by a ridge of sand dunes, which arise about 30 feet above the ocean, and for the most part is low and damp; this topography, which for residential purposes would be a distinct disadvantage, would be a great advantage for a pleasure park. It also has the advantage of being one of the very few privately owned properties in San Francisco commanding ocean frontage. 89.25 acres, at \$4000 an acre, total \$357,000.

The next parcel valued is the 20 foot strip lying east of Junipero Serra Boulevard, and extending south from Ocean Avenue to the extreme southern boundary of the properties. This strip is of strategic value because it offers an opportunity of screening any

objections of development across Junipero Serra Boulevard, as it commands in addition, all of the frontage on the east side of the boulevard, and it also offers the possibility for a railroad right of way along the whole length of the Lake Merced Rancho. I have subdivided this strip into the various parcels into which I had previously subdivided the western frontage on the Junipero Serra Boulevard, and placing the same value per acre on the strip as I had placed on the parcels opposite, I arrived at a value for the 6.34 acres contained in this strip, of \$19,800. The Ocean Shore easement, containing 17.05 acres, I have not valued.

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In relation to the difference in my valuation on parcels 18 and 21, which adjoin; I might have subdivided parcel 18 into two subdivisions, and as a matter of fact, in making my calculations, I did so. I valued the more easterly portion of 18 at \$1200 an acre, and the westerly half of it at \$800 an acre, and arrived at my average value of \$1,000 an acre on the whole parcel in that way. That means that the portion of 18 which is contiguous to 21 was valued in my calculations at only \$300 an acre less than the valuation I put on 21. The easterly portion of 18 has much the same character of slope as 21, but is not quite as sheltered or as attractive.

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In placing my values on parcels 18, 19, 20 and 21, I took into consideration two sales that had been reported to me by Mr. Baldwin; one being the sale of a piece of property containing approximately 60 acres lying north of parcels 19 and 20, which was sold in February, 1913, by John Brickell to Keller for \$25,000, and also the sale made by the Whitcomb Estate in December, 1913, to Eyre, of 63 acres at \$1000 per acre. This property lies west of 21. The sale price of \$25,000—Brickell to Keller—for the 63 acres, is approximately \$400 an acre; the upper four-sevenths of this tract is similar in character to 19, and the lower three-sevenths, to 20. Now, if we were to express my value of \$200 an acre on 20, and \$700 an acre on 19, in the terms of the acreage of the Brickell piece that would produce an indicated value of \$485 an acre, which is less than \$100 an acre more than the actual sale price. In my judgment, 19 and 20 are worth more than \$100, more as a whole than the Brickell piece, because the Brickell piece is absolutely blanketed by property in another ownership, and its use and development is absolutely determined by the adjacent property, and I felt that it would be extremely dangerous for anybody to acquire a piece of property of that sort without advanced knowledge of what was to be done with the adjacent property, and without arrangements for ingress and egress, which the Brickell piece has not. As to the sale of the Whitcomb Estate to Eyre, at \$100 an acre, as compared with my valuation of \$1500 an acre on 21; this piece also has the same disadvantage that the Brickell piece has. It is completely surrounded by the Spring Valley property, except only a portion of the west frontage, which is

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owned by a third owner, that piece in turn being surrounded by the Spring Valley property. The Whitcomb piece is much steeper on its north end, less sheltered, has no frontage on the lake, and in its south end is in part drifting sand; therefore, I consider that the difference that I have made of \$500 an acre between the price of the sale and my valuation, is a very reasonable one.

To explain the difference in value between parcels 22 and 24; 22 is about three-quarters of a mile in length, and if I were to have divided it up into parcels the size of 24, my parcels would have been graded from the price of 24 (\$3500) toward the price of 21, although 22 (\$1750) is not as suitable topographically for subdivision as 21 is, nor is it as available as 24 is; 24 has a very commanding situation at the north end of the lake, and is very close to Sloat Boulevard, being within six or seven minutes of that boulevard, perhaps less, and can be reached without any means of transportation other than a roadway from Sloat Boulevard to the property itself. In these values I have not taken into consideration at all the availability of the property for furnishing a supply of water. I have considered only the presence of the lakes in the landscape, and have placed a valuation on these lands separate and apart from the fact that they are in a common ownership. The presence of the lakes, leaving out of consideration any value that they might have for water supply purposes, would increase the market value of the land considerably.

It has been my own experience in subdividing lands, and it seems to be generally regarded as true, that concerns or individuals subdividing lands, cannot afford not to devote a certain percentage, which varies with conditions, of the values of these lands, to community purposes, recreation, and the like; that amount, in my own judgment, would vary with the conditions, at from 10 to 15 percent of the value of the property as a whole.

From the point of view of marketing the land, the speed at which it could be marketed, its attraction to buyers, it would be of the greatest importance to combine the lakes with the land, and divide the land to give the purchasers rights in the lakes for boating and bathing, and the like. There is a value added to every acre of this land above my valuation on account of that possibility, and in addition, I see no reason why that right cannot be reserved to the purchasers, even though a portion of the lake shore were sold outright, giving a direct outlet on the lake. There is a total of nearly 38,000 feet of frontage on these two lakes, and in my opinion, 20,000 feet of that frontage could be sold to individual purchasers without detracting from the value of the lakes to the balance of the property. I would sell the property running down to the water's edge at the level established for the lakes. The property should be so divided that a portion of the lake frontage might be held privately, giving an opportunity for a boat-house, or bathing pavilion, or direct access

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

to the lake. I believe it would be a great advantage to the balance of the property to be able to give each purchaser an interest in the lakes, themselves, and in the water park that might be created there for the benefit of the whole property. I mean attach a legal right in exactly the same way that legal rights in community parks are attached in residence subdivisions to each lot. I consider that any purchaser of this property in December, 1913, would have been willing to pay a higher price than my valuations of the lands, if the lakes might have been included in the property, because the land would be given a higher value for residential purposes on account of the rights in the lakes that might be attached to the lands. I refer here to the creation of a water park for the benefit of the land. For example, in the section I have marked "A".

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3103

I have considered that all the land in my large subdivision "A" would be benefited by the inclusion of the lakes; that it is possible that some of the land in subdivision "B" might also be benefited, but I think it would be to the disadvantage of the land in subdivision "A" to give rights in the lands in subdivision "B" in the lakes; therefore, I have included only the land in "A" as being benefited. I have also omitted parcel 1, which in my opinion, is more suitable for business than for residential purposes. I have excluded parcel "C", which has a higher value for recreation purposes, or for a pleasure park, than for residential purposes, and I would also exclude those lands that should, in my opinion, be devoted to recreational or park purposes, and I have also excluded the portion of parcel 23 since the cliff portion of that property is not suitable for subdivision.

FORTY-SIXTH HEARING.

OCTOBER 20, 1915.

Witness: DUNCAN McDUFFIE.

DIRECT EXAMINATION BY MR. OLNEY.

3104

The total valuation of the Lake Merced properties of the Spring Valley Water Co., excluding the lakes, and the fact that the lakes are owned in one ownership, is \$6,454,759.50. The market value of the property, in my opinion, on December 31, 1913, including the lakes, was \$6,896,802. I made a difference because of the inclusion of the lakes with the land of \$442,042.50. I consider that the value of the property as a whole, including the lakes, is greater than that of the property excluding the lakes, because the rights in the lake that can be given to the property add to its value. I arrived at my figure of \$442,042.50 in this way: The total lake shore is about 38,000 feet, which is almost evenly divided between the two lakes. At least 20,000 feet of this frontage might be sold, and the rights that would go with this frontage would increase the valuation that I had already placed upon the land without the lakes, by at least \$5 a foot, or a total of

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\$100,000. The \$5 a foot is the additional value as a wholesale proposition; the additional value to the land at retail would be very much more than \$5 a foot.

Questioned by Master.

I prefaced my statement that the frontage was 38,000 feet, with the statement that at least 20,000 of the 38,000 might be sold so as to include the rights that would go with this frontage on the lakes; I had in mind a different disposition for the balance.

DIRECT EXAMINATION BY MR. OLNEY.

3106 To explain that different disposition: The value of every acre of the portion of the property that lies above the San Mateo County line would be added to by attaching to this land rights in the lakes for bathing and boating, and for their use as a community lake or water park. All of the land that I have indicated in parcel "A", with the exception of parcel 1, which is business property, would be helped by handling the lake in that manner. That means approximately all of the land north of the San Mateo County line, except parcels 1 and 25. I except also from that land that I have indicated as having a greater value for recreational purposes than for residential purposes, all of parcel 5, a portion of parcels 8 and 23. I have taken parcel "A", and have then taken of that parcel only that portion which is suitable for residence purposes, and have omitted those that were not suitable, or which were more valuable for some other purposes.

I make up the balance of \$342,042.50 of the \$442,042.50 as follows: After deducting from the total acreage of parcel "A", parcel 1, all of parcel 5, a part of parcels 8 and 23, plus 100 acres in addition—that 100 acres being the amount of land that I should include in the privately owned frontage of 20,000 feet on the lake—I have left 1,368 acres of residential land that is more valuable on account of rights in the lakes, and upon which I have placed an additional value of \$250 per acre, because of those rights. That gives me \$342,042.

3107 The value of \$250 an acre which I have attached to the land, because of the possibility of selling the land, and the attached rights in the lake, is not the increased price that the property would bring when sold in subdivisions to purchasers. That is the increased value of the land at wholesale. Expressed in the number of front feet that can be produced by an acre, it means only \$1 per front foot. The retail value of the land would be enhanced several times over \$1 per front foot on account of those rights.

The tabulation of valuation of Lake Merced properties was offered and received in evidence as "Plaintiff's Exhibit 46".

My valuations are the prices at which the purchaser would be expected to pay the Twin Peaks Tunnel assessment, just as the valua-

tions of the property sold, or offers made in the vicinity, are the prices or offers at which the purchaser would have been expected to pay the assessment. I have not considered the availability of this property for water supply purposes. I took the point of view of the highest use to which the lands could be put, namely, the residential use; I do not consider its valuation from the other standpoint. I do not feel qualified to express an opinion regarding that, and I so stated to the attorneys for the Spring Valley Water Co., and I was instructed not to take that into consideration.

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CROSS EXAMINATION BY MR. SEARLS.

It was possible to proceed in this valuation in two ways; either by the method that I have taken, or conversely, to ascertain the value of the land with the lakes, and then make a deduction to determine the value of the lakes. I choose the other method because it seemed to me the simpler method of determining the value of the lakes. The line given to me as the lake line is about 10 feet above the present water level, and I assumed that the property would extend to that line, and my acreages include only the property to the line indicated in yellow on my map, which is apparently 10 feet above the water level.

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Questioned by Master.

That is 10 feet higher than the water level in elevation.

CROSS EXAMINATION BY MR. SEARLS.

In valuing this property on the lake shore, I took into consideration the topography of the land, and the lakes as a part of the landscape, but I did not assume that if the lakes were in separate ownership, the owners might drain them in order to use the land for other purposes. As to the possibility of that, that would be a question that might be more properly answered by an engineer; the depth of the lakes is such that it would probably be more costly to drain them than would be warranted. I presume that if they were held in separate ownership, that the owner of the lakes would have the right to drain them. I did not take into consideration the possibility that an owner of the lakes as a separate piece of property, might drain them. If the lakes were drained, the change in the landscape would somewhat affect the value of the lots adjacent to them.

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The difference of \$400,000 which I have made in the value of the tract without the lakes, and the value with the lakes, partly represents the wholesale value which the lakes would add to the property by reason of the ability to use them for boating and bathing purposes, but \$100,000 of my value was determined on the theory that land might be sold down to the lake over 20,000 feet of the shore line. The \$342,000 is the value which would be added to the property I have

selected as being favorably affected by attaching to it rights in the lakes and part of the lake shore.

3111 Questioned by Mr. Olney.

By part of the lake shore, I mean that I have set aside about half of the lake shore which could be owned privately, and the other half I would reserve for a common ownership for the balance of the property.

If the boating and bathing privileges on those lakes were given a commercial valuation, through the establishment of boat houses and bathing houses for profit, that would be one measure of the value of those services.

CROSS EXAMINATION BY MR. SEARLS.

3112 I do not feel qualified to say that anyone would have been willing to pay \$342,000 for a bathing and boating privilege on this property on December 31, 1913, because I have not attacked it from that point of view. If the privilege upon the two Merced Lakes as of December 31, 1913, were limited to bathing and boating privileges, it seems unlikely that any man would pay the sum of \$342,000 for that privilege, but if you include absolute ownership of the lakes, it is not unreasonable to think that an individual might be willing to pay that sum.

3113 If the owner did not drain the lakes, he might give private rights on the shore line to the adjacent property, as I proposed; then there are the commercial privileges that you have mentioned. The most profitable use would be to make an arrangement with the owners of the adjacent properties to sell rights in the lakes to the owners of that property. By that I mean rights of use, or the same sort of rights that might be attached to the land if it were all held in one ownership. I believe that he might have sold these lakes to the owner of all the adjacent property for the price that I have mentioned in order to attach the rights in this water park to that property. I am perfectly familiar with the effects of attaching such rights to resident property, and I feel very sure of my ground there.

To enumerate the large tracts with which I have had experience in subdivision and marketing: The first was known as Fairview Park being partly in Oakland and partly in Berkeley; it contained about 40 acres. The next was 120 acres known as Claremont Park. Then the Hotel Claremont Tract, 80 acres. Then San Pablo Park, fronting on San Pablo Avenue in Berkeley. Claremont Court in Berkeley, of about 20 acres. The property which is partly in Berkeley, partly in the County of Alameda, and partly in Albany, containing about 500 acres, now known as Albany, Fairmount Park, and Northbrae properties. The St. Francis Wood property, 176 acres, part of which is fully developed, and all of which is subdivided on the map, but not fully improved. The Berkeley properties have all been subdivided,

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

improved, and are in the main, sold. The St. Francis Wood property is one-third subdivided and developed. The balance of it has been mapped, though the map has not been recorded; part of the work on the balance of it is done.

The Berkeley properties I sold off in residence lots, with the exception of some small sections that were sold as business lots. I have also subdivided two tracts for other owners, developed and sold them for the account of other owners. That is practically all.

3114

Questioned by Mr. Olney.

The last two tracts mentioned were known as Dwight Way Terrace, owned by the Wickham-Havens Co., in Oakland, and a tract known as the Shaw Tract, also owned by the same company.

CROSS EXAMINATION BY MR. SEARLS.

3115

The value of approximately \$6,500,000 on Lake Merced was the market value of the tract as a whole on the 31st of December, 1913, and by market value, I mean the amount of cash that a willing buyer would pay a willing seller, given a reasonable time to get together.

The question of whether a syndicate could be organized to take over this property at the figure I have placed upon it, and consummate the deal in about five months' time from and after December 31, 1913, would depend, not so much on the valuation, as on the condition of the investment market at the time. I have testified to offers or sales that were made within a year of December 31, 1913, that would indicate the possibility of having sold the property as a whole within a reasonable time. I am not sure that five months is a sufficient time to have organized a syndicate to purchase the property. If the syndicate had not been organized perfectly by the 1st of August, 1914, I should probably have to suggest a very long time as being necessary. I see no reason why a syndicate could not have been organized within six months to a year from December 31, 1913, and the property sold at my valuation.

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Questioned by Master.

I do not think it would have been to the greatest advantage of the property to have subdivided it to any great extent in selling. It might have made the sale of individual parcels easier, but the probabilities are that to have sold all the parcels would have taken as long as it would to sell it as a whole.

CROSS EXAMINATION BY MR. SEARLS.

In placing my valuations on the different tracts, I was guided by the sales of adjacent property on the north line of Sloat Boulevard as giving an index, but not absolutely determining the values of this property on account of the differences in character between those properties and this property. In determining the value of this, or any other property, it is necessary to decide to what uses the property might be put. Consequently, it was necessary for me to consider the

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uses to which this property might be put in determining the price the purchaser might pay for it, and I consider its ultimate use, and the ultimate returns somewhat that might be expected from its being put to that use. I see no way of determining the value of any property without considering the return that may be expected from the property.

3118 The St. Francis Wood property is one of the properties, the selling price of which I used as an index of values. This property was bought by my firm, in April, 1912, at \$3,000 per acre. We paid part cash, and gave a mortgage to the Residential Development Co. for the balance. The mortgage, I think, was about seven-eighths of the total purchase price, and one-eighth was cash. We have subdivided and placed on the market 60 acres of this tract, and our method of selling those tracts is to require a part cash payment, and to give the purchaser, if he desires it, a considerable period of time to make the remaining payments; the property is sold on term contract. About 60 or 70 percent of our lots are sold on term contracts, and the balance for cash. The stated terms are 20% down, and 1½% per month, which I believe pays out in about 52 months, or a little over four years. Those lots were first placed on the market in 3119 October, 1912, and I believe there were 268 lots of a minimum of 50 ft. in width in 56 acres. About 135 to 140 have been sold, and the range of retail prices for inside lots was from \$2,560 to \$3,500, and the corners ran as high as \$7,000.

3120 The gross return from these retail sales bears to the purchase price of \$3,000 a proportion of between 5 and 6 to 1, after deducting streets. If one eliminates the part devoted to streets and parks, the property that we actually sell would run higher than that. We get between five and six lots to the acre; the normal subdivision produces five lots 50 by 120, but our lots are a minimum of 50 feet in width, and from that up to 80 feet. They are from 100 to 120 feet in depth, although some of them are only 80 feet. Probably half of them are a fraction over 100 feet in depth. If my figures are correct, the 56 acres have produced 268 lots, and it would be a little less than five lots to the acre. There is no land in that tract which is not subdivided. My recollection of the exact acreage and exact number of lots is possibly not exact. The average selling price ran about \$3,250 a lot, including corners, and with five lots to the acre, that would mean \$16,250 per acre, or a ratio of a little over 5 to 1.

3121 In the development of that land, including all the permanent improvements, the engineering, clearing, grading, the bringing in of public utilities, creation of parkways and small parks, and their improvements, ornamental features—gas lamps, and all the other things that go to make up the improvement of the property, we spent about \$4,000 an acre, or \$240,000 on that 50 acre subdivision. In order to do that work we had to advance the actual cash.

The cost of development of the Lake Merced Tract would be con-

siderably lower per acre than the cost of development of St. Francis Wood, because it could be done on a larger scale; the material costs would be very much lessened on account of the railroad spurs running into the property, and because the whole operation would be on a scale that would permit of the construction work being done by the owners, with a consequent reduction in cost to them. It would not be profitable to develop all of the Lake Merced property on the same elaborate scale on which St. Francis Wood was developed. To answer your question, it would be necessary to work out a scheme of development before one could determine what one could afford to pay for the development of the various parcels of the property. 3122

All of parcel "A" is valuable for restricted residence purposes, as is also parcel "B", although this parcel would be for a lower class of residence property. The development of the property should be done by the owners before, or at the time of sale at retail. I do not feel that your calculation of \$9,600,000 to develop the Lake Merced Rancho for restricted residence purposes is a proper one, because those costs would grade from as low as \$1,000 to \$1,500 an acre, up to a point below my maximum of \$4,000 an acre. The probabilities are that the property could be developed for sale at retail at an expenditure of \$2,000 an acre, which would make about \$5,000,000 on a total of 2,500 acres. 3123

We have put 16 or 18 houses on the St. Francis Wood property, and four of those are unoccupied at the present time. I do not know how many occupied houses were there in December, 1913, but there were not as many as ten. My firm has constructed only three houses on this property to be sold. There have been five houses built for sale, three of which were constructed by the firm, and two by myself. Only one of these is sold at the present time. Any firm embarking in the real estate business must figure on lean years as well as fat ones, and any firm that proceeded to go into the real estate business on the theory that sales were going to proceed during the life of the tract as rapidly as they did on the opening day, and make its financial arrangements accordingly, would not last very long. 3124

I do not know what the terms of the sale of the Ingleside Terrace property were. I presume that it was a cash sale, but I do not know. The sales made by the Residential Development Co. were all similar in terms to the sales made to the Westgate Park Co. The offer from Rose Getz included the lands in the street, and I included that in my calculation to determine the price per acre in order that I might produce a price per acre, gross. I do not know whether that offer was made in writing, but I believe that Mr. Green showed me the letter accompanying the offer, but I am not positive. Mr. Green is ill at the present time, but I will procure a copy of that letter or the original, for your inspection as soon as he returns to the office. In relation to the offer made by Mr. Spring, I do not think he made it 3125

in writing, nor do I know whether at that time he had the cash to pay the entire price which he offered, because I did not go into the matter fully, as I was satisfied that we did not want to accept the offer. This offer produced a sale of an interest on the basis of \$4,000 an acre cash to us, and I have merely Mr. Titus' statement that the offer had been received by him for the company from Mr. Spring. I went into the matter no further. The acreage of the Balboa Terrace Tract I believe is 16 acres.

3126

I did not assume that a buyer who purchased the Lake Merced properties in December, 1913, would be able to market them as a whole at any greater rate than I have succeeded in marketing St. Francis Wood for, and I did not assume that the buyer of the Lake Merced properties, as of December 31, 1913, would make residential restrictions less than those that I have made in St. Francis Wood. I should expect on the better portion of the property he would make similar restrictions, and on the property classified as suitable for mechanics' homes, the restrictions would be very much lower as to the cost of houses, and more elastic in other particulars.

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I should say that Ingleside Terraces has sold a considerably greater amount of land, and at higher prices for portions of the land than St. Francis Wood. It has been on the market longer, and has had more favorable market conditions than St. Francis Wood, but I do not consider that it is a more desirable subdivision. I should expect St. Francis Wood to receive as favorable consideration from the buying public as any of the tracts now being developed west of Twin Peaks.

3128

Referring to subdivision 1, of my subdivision of the Merced Rancho: The growth of any commercial district in the vicinity of the junction of the Junipero Serra and Sloat Boulevards would depend on the growth of the surrounding residential district. The actual value of the property as expressed in terms of income, developed after there has been established a need for the service that can be rendered by the property; but the property has a quick speculative value which is in advance of its use, and a quicker speculative value than residential property. I have not given this speculative value to subdivision 1, but have considered simply the possibilities of sale, and its ultimate use for the purposes mentioned. I have not confined it solely to business, but have included apartment houses and the like. Its ultimate value for commercial purposes would depend largely upon the income derived from it. I know of no sales which would justify me in placing an advanced value on subdivision 1 for commercial uses.

I understand that by the action taken by the Board of Supervisors on November 25, 1913, in accepting the report of the Board of Public Works, the plan for the Twin Peaks Tunnel was accepted. The assessment district, and the amount of the levy determined, and after that date the assessment actually became a lien on the prop-

erty. The contract for the construction of the tunnel had not been let at that date, and I do not know whether there were any assurances at that time as to whether the tunnel could be built within the City Engineer's estimates. There were various lawsuits brought since then to contest the validity of the assessment.

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I should say that the property immediately adjacent to subdivision 1, and by that I mean fronting on subdivision 1, would not be as valuable for residence purposes as that one street removed, but if the property were developed as a whole by one owner, that could be very greatly modified by proper treatment of the business centers, and I am not sure but that by some such treatment as has been given the business center in some of the eastern subdivisions, like Forest Hill Gardens, or Roland Park, an entrance for the property might not be created which would be of advantage to the whole property. I did not make any estimate as to the number of lots into which subdivision "A" could be divided for sale purposes, nor the total retail price that would be obtained from the sale of that tract. My valuation of that particular tract was not based specifically upon the returns which the investor might be expected to receive from his realty sales. I did not estimate the number of lots in any one tract; I simply used in the calculation the accepted number of front feet that an acre produces on an ordinary subdivision. A person purchasing a subdivision usually roughs out the return on the basis of 250 front feet to the acre. I did not use that basis in the form of an exact calculation in figuring my probable returns from the sale of tract "A". I simply considered in general terms in my valuations of the Merced tract whether the investor could hope to secure a proper profit from the land when subdivided if he paid the values that I have established, but I did not figure the prices per lot he would have to get in order to get that profit, and I did not figure the price per lineal foot.

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Neighboring sales, and my own experience were my nearest guide for my appraisal of the Merced tract. I did not say definitely that this tract can be made to produce so many dollars per front foot in making my determination. I determined that in general there was a reasonable relation between the wholesale price and what might be expected at retail, but I did not reduce that to an exact calculation on the individual parcels, nor on the tract as a whole. The relation is one which is so much a part of my own experience, that I did not find it necessary in establishing these values to make this exact calculation. I do not say that I can go out and look at a piece of land, and without considering its income or the sale of adjoining property furnish a dependable opinion as to the value of it. It is necessary first of all to determine what can be expected from the city at large in the way of growth and development, and to consider the relation of that tract of land to the city, and give considera-

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tion to the special factors that affect the value of the land. In my calculations I consider the economic factors, the difficulty of development in comparison with other properties, and of bringing utilities into the property; in other words making a property suitable for residences. I would consider the strategic value, which in a case of this particular property is very considerable, because of its being one of a very few properties in the City of San Francisco that are susceptible of that type of development that will produce the highest returns, and then as a final index of what the purchaser would have to pay in order to secure this property, I consider the price at which neighboring properties have been sold, or the offers that have been made in good faith for neighboring properties. The factors which I first considered was to determine whether the property was favorable at any price, or whether the growth of the community would indicate that the property could be disposed of. I do not know what has been the shortest period of time in San Francisco that it has taken to absorb any single contiguous tract of 2800 acres. I can tell you of the time it has taken to absorb a similar acreage on the Berkeley side of the bay. The conditions are not the same, but so far as possible, I should create the same conditions that have sold property in Berkeley and Piedmont, and suburbs of San Francisco, on this property.

With reference to public utility service, I assumed only the possibility of service, not that the service would be rendered, but that it could be by the Spring Valley Water Co., because there are reservoirs higher in elevation than all of this property. I have seen statements of the inability of the Sunset and Richmond districts to obtain water, but I know nothing about it to my own knowledge. Judging from our situation in St. Francis Wood, I should have said that it was not an improbability that an adequate water supply for the development of the Merced tract could have been secured within a reasonable time subsequent to December, 1913. It is true that St. Francis Wood subdivision was but 60 acres, as against 2800 acres here, but I did not go into the question of volume of supply.

It is my experience that cash demands a better price than terms, and that property sold for cash almost invariably sells for a less price than if sold on time payments in retail transactions. As to whether it is as easy for a man to dig up a few million dollars in cash in a wholesale transaction as it is to take a big mortgage and rely on his retail purchases to pay off the mortgage as he goes along, depends upon the negotiability of the paper, because if it can be converted into cash, it is the equivalent of cash. Assuming that the amount of the mortgage bears a proper relation to the worth of the property, I think, except under extraordinary financial conditions it could be sold at no discount. I would consider a proper proportion to the mortgage to be about 60%. I know of banks that have loaned

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

more, but I would not care to entrust all of my savings to such banks. 3136

On the whole, the larger subdivision has the advantage over the small subdivision in regard to being more salable, in that a similar character or like character may be given all of the property. In the small subdivision there is danger of encroachment on the exterior boundaries of residential improvements that are not desirable, and which will depreciate its value. Taking a tract like St. Francis Wood of 60 acres, and a tract like the Sutro tract of 728 acres, it would be more difficult to sell the tracts as a whole than in parcels. My explanation of that fact is that it is more difficult to command sufficient capital to buy in large tracts; as a purchaser, I should prefer to control a larger amount of land if the capital could be had for its control and development. If the relative values of the tracts were the same, it would be more difficult to find a purchaser who has \$1,456,000 to invest in a big tract than it would be to find a purchaser who would have \$180,000 to invest in 60 acres. Assuming that the value of the St. Francis Wood tract was \$3,000 an acre, and the value of the big subdivision was \$2,000 an acre, I do not think it would be more difficult to find a purchaser for the big subdivision, because the tract at \$2,000 was a much better price than a portion of the tract at \$3,000 an acre. If the price were the same, it would undoubtedly be easier to sell a portion of the large tract. Referring to the sale of 15 acres on the Balboa Terrace at something like \$5,500 an acre, and assuming that that was the market price of land in the vicinity, it would unquestionably be very much more difficult to find a purchaser for 1,000 acres of similar lands in the Merced tract at that price, because of the larger amount of capital which would be required. The price which I have noted as the sale price of a smaller tract, is an index of the price at which property similar in value and character to the smaller tracts could be sold, but I would expect it would take a longer time to sell the larger tract. 3137 3138

My point is this, not that there is any difference in value, but that there are fewer possible purchasers for a tract involving \$2,000,000 than there are for a purchase involving \$200,000; there is no reason why the larger tract should not be broken up into smaller tracts if it is impossible to sell it in the larger tract. I testified that if it were possible to purchase St. Francis Wood, 60 acres, at \$3,000, and at the same time possible to purchase the larger subdivision of 728 acres of the Sutro property at \$2,000, it would be easier to find a purchaser for the larger subdivision, because the larger subdivision at \$2,000 an acre is a better buy from the point of view of the purchaser than the smaller subdivision at \$3,000 an acre; there is a difference in value. The reason it is a better buy is that the average of the whole property, assuming a value of \$3,000 for the St. Francis Wood property, is greater than \$2,000, and by that I mean that the actual 3139

value of the property is greater. The whole question is a question of the ability to command capital for the larger purchase, and is not a question of the value of the property.

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I have testified that it would be easier to find an investor who could purchase the 15 acre tract, all things being equal, than one who could purchase the 700 acre tract. These two tracts, being in all respects equal, and a price of \$3,000 an acre being placed on the smaller tract, the magnitude of the purchase of the larger tract might slightly affect the price of the land at which the purchaser would expect to secure it. Naturally an owner of almost any large tract of land would be glad to clear out his entire holdings at a fair price rather than to hold it for years and years and sell it off piece-meal, unless the latter process in the end produced larger prices through the increase in value. That is the element of risk in the real estate business. It might be advantageous to the owner of a large tract of land to sell off portions of it under proper restrictions as to its development, because the development would increase the value of the remainder that he held. I have no doubt that is what the Residential Development Co. expected from the people who bought from it, and they would not have made as low a price as they did unless they had expected the development of those lands would increase the value of their additional acreage, which it has done.

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In St. Francis Wood our most valuable lots are along our main boulevard, St. Francis Boulevard, which extends from Junipero Serra Boulevard easterly to the base of the hill. I think that the sale price of the lots on Junipero Serra is higher than that on the first two or three parallel streets inside the property, and possibly about the same or a little lower than that on some of the streets higher up. There are some local influences, however, that have determined the values on the lots higher up. As a rule, in residential subdivisions, the more desirable lots are those which do not front on the main thoroughfares if there is a street railroad on it, and it might also be true on account of the uncertainty regarding the development of the property across the way. The lots on the exterior boundaries of the property which is itself restricted, are less salable than those inside. Take Corbett Road as an example, in our own property; we do not know what use will be made of the property opposite, and therefore, we placed a lower price on those lots; also we find fewer purchasers for those lots for the same reasons. The more desirable lots in St. Francis Wood, are from some points of view, further up the hill from Junipero Serra Boulevard and Corbett Road. The sales have been pretty well scattered, probably because they were lower prices than on some of the streets closer to Junipero Serra Boulevard. The lots on the hill command more of a marine view, and that is undoubtedly an element of value. Furthermore, in laying out that property, we endeavored to create other centers of value as we left Junipero

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Serra Boulevard, by putting in some architectural feature, or putting out a little park; these influence local matters.

In the houses that I built myself, I put the best houses further up the hill, and the cheapest ones near the Junipero Serra Boulevard.

Referring to tract 2; if the owners of the property south of Sloat Boulevard by a proper planting protected themselves from the railroad which is to be extended through Twin Peaks Tunnel, I see no reason why that property on Sloat Boulevard should not be as valuable as the balance of it, provided there are some assurances about the development of the property across the way. They could not protect themselves from the noise of automobiles and traffic by planting trees and as a rule I think for smaller residences it is desirable to be off a main traffic thoroughfare. Parcel 2 slopes southwesterly, and is practically all level land, but some few portions of the tract command a view of the ocean over parcel 25, which is a low tract. 3142½

I compared parcel 2 with a tract owned by Charles Sutro on Junipero Serra Boulevard, for which he was offered \$4,000 an acre in the summer of 1913, by Joseph A. Leonard, representing the Urban Realty Improvement Co. I do not know whether that offer was in writing, or the terms of it. I do not know anything about the affairs of the Urban Realty Co., or whether they were in a position to handle any such transaction on a cash basis. 3143

In taking these subdivisions of the Merced Rancho, the subdivisions were largely indicated by topography, but some of the tracts, like tract 6 for instance, which has a depression in it, is different in character from the balance of the property. I testified that that could be treated in such a manner, and was so attractive that it did not reduce the general value. I would expect that anyone selling the land in subdivisions would place different prices upon different lots. As a wholesale proposition, the prices placed on each individual subdivision, were based on a consideration of the whole subdivision, and not on parcels of it, and even as a wholesale proposition, portions of that subdivision might be more valuable than other portions, and if the land were subdivided into smaller parcels, there might be different prices on those parcels, the total producing my price on the whole. I cannot express in acres the amount of flat land in subdivision 6, but I should say that over 90% of that parcel is land of the same value as far as topography is concerned. There are not more than 12 acres in the swale alongside the railroad track in the southwest corner, and I am referring now to that portion of it within tract 6. I think in making my determination of the price as a whole, and considering only topography and not distance, that I put a value on that of about \$2,250 an acre. I mean by that the land lying within the elbow of the railroad track as far as the westerly boundary of the subdivision. The remainder of that parcel in the southwest 3144 3145

3146 corner is of approximately the same value as the whole; it is very nicely wooded, and commands very good views of the lake in both directions. I did not consider that the railroad spur was any detriment, as its tenure was dependent on the will of the owner, and the spur would be removed I considered, as soon as it was desirable to do so.

In subdivision 7 there is a portion of the same swale, and I appraise all of 7 at the same figure, and in that particular location I think the swale is worth \$3,250 an acre. I differentiate between that and the \$2,400 portion just across the line in 6 in this way: This lower portion of the swale opens out very attractively in a little cove in the lake, and the sides of the swale have very good views, and it offers a very attractive location for homes, being somewhat more attractive than the upper portion of the little swale, which is more shut in, and has no view. Some difference might be made in individual small portions of the tract, but I think the price of \$3,250 per acre is a price that could be uniformly distributed over the whole property.

3147 With the exception of the parcels that you have called attention to, and those that I mentioned, most of the parcels are uniform enough so that I graded them as a whole; the intention in making the divisions was as far as possible to divide the property according to its topography, but where I considered the difference in topography so slight as to either cause a little addition in cost of development, or perhaps add an attraction on account of the difference in outlook, or exposure, I made no differentiation.

3148 Referring to parcel 23; I did not ascertain the acreage of the land in the three subdivisions into which that property would naturally fall, namely, the beach, the cliff, and the property above the cliff. The lots occupying the cliff area I would not expect to have the same value as lots on the plateau above. There are say 25 acres of cliff area in that tract. I did not state that a boulevard could be built from the junction of Sloat Boulevard and the Great Highway along the line of that cliff, but that I had thought that that was the proper way to develop this property, and I had that thought in mind when I appraised it.

In my appraisal I considered the Whitcomb and Brickell sales adjacent to this land, and I stated that I thought the Brickell land was comparable with parcels 19 and 20, and that the Whitcomb land was inferior to parcel 21, but that the prices were not comparable because of the fact that the use to which those lands could be put was dependent absolutely on the pleasure of the owners of the surrounding lands. I do not see any difficulty in gaining access to parcel 23. There must be 400 feet between the westerly part of the North Lake and the line of the United States Life Saving Station. In fact, the City Engineer has surveyed, and there are stakes for a boulevard

running across parcel 24. I should think that the cost of construction would be comparatively light, but that would be an engineering problem; however, the cost of construction across parcel 24 would be a very small item in considering the development of so large a parcel as 23. In appraising 23 I was considering the property as a whole, and therefore consider that the owners of the property would not sell it in such a way that access could not be given to 23. I consider that there is no difficulty in reaching parcel 23 from Sloat Boulevard along the north line of the United States Life Saving property. I have not considered that the construction of the boulevard through the life saving station property would depend upon permission from the Federal Government. It could be built from Sloat Boulevard along the east line of the property owned by the Spring Valley Water Co. I made no assumption in my appraisalment that the boulevard would stop short of the line of the Webber piece. I see no reason why it should not be extended to that line.

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There is no reason why parcels 24, 22 and 23 might not be developed by a road, drive, or boulevard system without any relation to these other pieces, namely, Whitcomb, Webber, and Brickell pieces. Parcel 21 would naturally be developed along the shore lines, and so would the lower portion of 18, and in order to do that, they would have to pass the corner of the Whitcomb piece, but there are 500 feet between that corner and the shore. We have had a similar situation in Ingleside Terraces, where property was developed without reference to the streets to the south, and those streets were only opened to condemnation and purchase. I think there is no reason why, when there is attractive land like that, that the owners should have any difficulty in getting the streets opened as a rule; I believe it to the advantage of both owners to get together and open streets in common, but we have here, it seems to me, a somewhat different situation. We have no streets open in this other property. The person who buys this property takes chances on not only whether the streets will be built, but as to how long before they will be built, and he must take account of those conditions in making his purchase. The development and use of these properties is dependent upon the development and use of the adjacent properties, and therefore, the Whitcomb and the Brickell properties are at a disadvantage, and naturally command a lower price. I think it would be to the advantage of all owners to combine in the development. As a matter of common experience, if there were streets within a reasonable distance of these tracts, it appears to be within the power of the Municipal Government to open streets.

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The St. Francis Wood, as compared with parcel 4, is steeper; the gradient of the lower portion is steeper than the gradient of parcel 4, and the gradient of the upper portion is considerably steeper.

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I should say the land in parcel 4 that would command the highest price in lots would be the land fronting on the lake, or on parcel 5, and the same would apply to the land in parcels 6 and 7, except that in these parcels the element of distance is a much more powerful factor than it is in parcel 4. Parcel 7, lying between the two lakes, is somewhat isolated, and can be approached practically only in one direction, from parcel 6, unless one approaches it at the extreme westerly end; that is a disadvantage. The road into parcel 7 today goes across the dam between the two lakes, and the shortest way to that would be from the corner of Sloat Boulevard and the Great Highway in line with my development. I assumed that access to parcel 7 would be had both ways, but the main entrance to parcel 7 would be from parcel 6. I don't pretend to determine at what point the boulevard would be brought into this property. I said it could be brought in, and it would be natural to bring it in where the topography permitted in the shortest possible distance. I would not assume the corner of Sloat Boulevard and the Highway as the initial point of such a boulevard, because I have always thought of parcel 25 as being developed in another way and for another purpose. I have been thinking of the boulevard as beginning at about the point where 41st Avenue comes into Sloat Boulevard.

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The highest individual prices that might be produced on parcel 2 could be produced in land which would command an uninterrupted view of the lake, but I have not, in making my calculations, entered into those matters except in a general way. I am able to say what the acreages of the land which does command an uninterrupted view of the lake amounts to.

Referring to St. Francis Wood, the extreme lower portion does not, or will not command an uninterrupted view of the ocean; there must be 25 or perhaps 35 acres on the other watershed beyond the top of one of the ridges which does not command a marine view; also there is rather a deep gully running through one section of the property which has no marine view. It would be safe to say that 120 acres out of the 176 acres has a marine view, but I do not mean by that an uninterrupted marine view, because at present the trees, and in future the houses, will interrupt that view.

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Balboa Terrace will probably have less marine view than St. Francis Wood, because its slope is all very gradual. It cannot be more than 6 or 7 percent, as is that of the lower portion of St. Francis Wood. Portions of it will command a view. The command of view is very largely determined after a property is developed by the local differences of elevation; if you have a very gentle slope which commands a view when it is not built up, after it is built up the view will be largely cut off. Wherever the view of the straits and the bay is commanded, it is a considerable factor in the value of land. That would also be true of property having a view of the ocean, but

not so much so. Relative to the adjoining land, which does not have a marine view, it would be as much of a factor. View is an element of value. A view of the straits and the bay is a greater element of value than a view of an uninterrupted expanse of water like the ocean, just as I would regard a view of these lakes as being of more value than the marine view.

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I did not make it a distinction in the value of the land which commands a view of the lake, and the flat land back of it, except in the most general terms, and I cannot make one now without difficulty. The eastern end of parcel 9 for instance commands a splendid panorama of hills and mountains, and is particularly fine; the western portion of this parcel, which is a little more broken, and therefore of less value, and a little more distant, commands an uninterrupted view of the lake, and it is so placed that it is not likely that that view will be taken from it. I considered all of those factors in determining the flat valuation of the whole parcel. I cannot express in dollars the difference between the two ends that was produced by those two factors, or those several factors. Parcel 9 has about as desirable a view as any parcel in the whole tract except parcels 21, 22 and 24, on the west side of the lakes; those perhaps have the finest views.

From a residential standpoint the principal difference in values between the parcels on the west and on the east side of the lake is accessibility, and difficulty of development. The cost of development I consider is one of the factors; when it comes to the individual making the purchase of a lot, accessibility would probably be the determining factor with him. A certain proportion of individuals would consider it an advantage if the lots had a slope. Others insist on having a perfectly flat lot. I do not recall of any restricted residence subdivisions in San Francisco within the last ten years where the topography was perfectly flat, and I recall to mind very little land in San Francisco which has perfectly flat topography. I should say that it was not uniform in any of those tracts. I have not a distinct recollection about Presidio Terrace, but I think on the whole it is not exceedingly steep there. (Counsel for Plaintiff stated that on the contrary, it is almost flat, but the northerly side of it slopes up, the rest of it being practically flat.) In general property in Berkeley which commands a view is more valuable than that which does not; but to answer your question directly, higher prices have been obtained where the lots command a view. There are, however, some other factors that caused that.

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The sum of parcels 2, 6 and 4 would be approximately 723 acres, and the sum of the total values approximately \$3,350,000, which is as of December 31, 1913. Undoubtedly the whole of the 720 acres that the Residential Development Co. subdivided could have been purchased about nearly two years before December 1913 for \$3,000

an acre. I should not have hesitated to advise the purchase of these Merced lands at my price, which was an average of \$4,600 an acre, for these three parcels, which include absolutely not an acre that is not of perfect topography, whereas the land that you speak of is of broken topography, with a considerable amount of waste. We are now considering values in 1913 as against the prices paid in April and March of 1912. In my opinion, the difference in the character of the land, and the greater distance from the center of the city, and the lack of view which a great deal of it has, taking these into consideration the values of land increased to such an extent during that year and nine months from March 1912 to December 1913 as to be justifiable in making such a purchase. That is also considering the differences in the character of the land, and the change in conditions in that period. The most important element of the difference in prices in addition to the action taken with regard to the tunnel, is the development after the purchases made in the spring of 1912 of the various residence tracts in that vicinity.

That development, as far as the actual building of houses was concerned, was inconsiderable, but in the meantime there had been a very considerable development in Ingleside Terraces. I am referring now to the sales of lots at retail, not the wholesale sales; what I mean is that the purchase of 100 lots in this vicinity interests the 100 or more individuals in this vicinity, and is a factor in increasing values in that vicinity, and leaving the 100 or more individuals to be interested in that property. Competition in the real estate business is just as valuable as it is in some other businesses. In reaching that conclusion I have borne in mind the fact that although the Supervisors had decided that they would build a tunnel, there were a good many rocks still to be crossed in the path of construction of that tunnel. I consider that during the whole period in which the building of the tunnel was under consideration there was a gradual increase going on in the value of the property effected by the tunnel; that that value will not be reached at the full until after the tunnel is built and in operation sometime, but that at every stage of the proceedings which brought the tunnel nearer there was some increase in the value of the property which was expected to be favorably affected by it.

There was some objection from the owners of property west of the tunnel to the creation of the tunnel assessment district, but considering the size of the enterprise, it was almost negligible. The attorneys were successful in so handling the matter that the suits were not brought to trial until after the contracts were let, and the probabilities are that the success of the suit would not have overthrown the project. Looking at it as of December, 1913, it seemed to me in valuing this property that a good many of the rocks in the way of the project had been successfully passed.

My valuation on parcels from 10 to 19, inclusive, is not based on a consideration of the prices that might be obtained for the land as factory sites. When I spoke of industrial purposes, I had in mind the possibility the sale of the land to a concern that would endeavor to both secure the location of industrial sites, and sell the balance of the property for residences; in other words, to make one the basis of the other operation, but my valuation is chiefly based on the possibility of selling this property in subdivisions to people of moderate means. I consider the Ocean Shore Railroad an advantage, as the possibilities of service to Market Street over this road are certainly of some advantage to this property. The property in the immediate vicinity of the railroad would not have any advantage because of the steam railroad operating through it. It is a disadvantage, but less so in a tract to be devoted to cheaper homes than a finer residence district. I assumed that the Ocean Shore is operating from this property to 12th and Market St. in 35 minutes, 3 or 4 trains a day, and there is a possibility of increasing that number should there be a demand for it. I considered the location of the Southern Pacific near as an advantage, and the fact that there is already street car service given by the United Railroads on Mission Road. You get to Mission Road from the southeast corner of the Lake Merced tract out the street called School Street, I believe. I do not think that you have to climb over the Southern Pacific track, and up the side of a very steep hill to get there. The road is paved at the present time, and used by automobiles freely—a part of the Junipero Serra Boulevard. When you go that way I should say that you do not go more than 700 or 800 feet south. Certainly not half a mile.

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There is an opportunity for material yards in this locality, but I had not thought of them in connection with the property. I had thought of the sort of development that takes place in the suburbs of many eastern cities, where an automobile works, or sewing machine works, or works of the type of the National Cash Register Co. are taken to the outer edges of the city, and the plant established, and the surrounding property built up for the operators. There are some factories in the bay cities that have chosen sites such as this; take two or three factories that have been established at Mountain View. There is a printing establishment of the Pacific Press, and the Joshua Hendy Works, which is on the main line of the S. P. R. R., at Sunnyvale. This particular property here might be served either by the Ocean Shore or by the Southern Pacific. However, I did not place any particular emphasis on that, because I feel the property can be subdivided into lots and sold to people of moderate means without any industrial development in the neighborhood.

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FORTY-SEVENTH HEARING. OCTOBER 21, 1915.

Witness: DUNCAN McDUFFIE, for Plaintiff.

Witness: NORWOOD B. SMITH, for Defendant.

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CROSS EXAMINATION BY MR. SEARLS.

In valuing parcels 9 and 10 I did not make any distinction in my values at the county line. Other things being equal, it is probably of some advantage to be within the corporate boundaries of a municipality, and to have the protection and conveniences that a municipality offers. It happens, however, in this particular instance, that the property south of the boundary line has some advantage, due to the fact that it receives whatever benefits may accrue from the Twin Peaks Tunnel at that point without having to pay for them. I made no distinction in values due to that fact.

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I believe the Residential Development Co., in addition to the sale made to the Westgate Park Co., of the St. Francis Wood property, sold a piece containing in the neighborhood of 140 acres lying between Corbett Road, now Portola Drive, and the property previously sold to John Spring, A. L. Meyerstein, Merritt and Hawkins, and the Forest Hill Realty Co. All these properties, except the Merritt property, have been subdivided, and are being improved, and sales have been made in the Meyerstein property, known as Claremont Court, and some sales in the Hawkins property, known as El Portal. I am informed by the agent for the Claremont Court that there have been a number of lots sold there, but I have no definite information as to the number. In Forest Hill there has probably been in excess of \$1,000,000 worth of lots sold at retail. My impression is that a majority of the lots in the portion of Forest Hill lying east and north of 7th Avenue and Dewey Boulevard, have been sold, but that the Forest Hill Extension on the other side of the Dewey Boulevard is only sold in small parts. Very few sales have been made in El Portal. There are five houses being erected in the neighborhood of Portola Drive in Claremont Court at the present time, which indicates that sales have been made. I do not know what the acreage of the various subdivisions of the 140 acre piece is. I do not know whether the houses that have been erected there have been erected by the people who are selling the tract or not. I am informed that they are being erected by Mr. Fisher, whom I believe is a builder, and puts up houses to sell. I have had no business relations with Mr. Fisher, and do not know what his methods are, and I do not know that he puts houses on lots that he does not own under an agreement with the original tract owners.

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Referring to parcel "C", I do not know how many acres of that land were swamp or under water in December, 1913. I saw no outlet

of the lakes. Portions of the land on recent examination show evidences of seepage. I have covered most of this land on foot within two months of the present time, and I found no land that was then wet, except some lying near the old Ocean Road, that is close to Sloat Boulevard. The acreage of that was probably one-tenth of the total. I have testified that the land is low, and I presume that at other seasons of the year there is more water on it than at the time I examined it. I do not remember any tules. The grass that grew there was the kind that was growing also on the sand dunes at high elevation. On portions of the property there was a growth of scrubby pines and other shrubs. I have not seen that portion of the tract in winter time, and do not know its condition during heavy rains.

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At the east apex of parcel "C" there is a narrow strip through which the old Ocean Road ran that is 20 feet below Sloat Boulevard, and as we approach the end of Sloat Boulevard, the land lies 10 feet or less below the boulevard, but there is a considerable portion of the property that is as high or higher than Sloat Boulevard. The topography is irregular. I did not assume that the flat portion would have to be filled in to use it for recreation purposes, and I do not know what it would cost to fill it in if it should so happen that it were necessary. The class of recreation concessions that I would expect to put in that place would be the same as are found on beach resorts in other parts of the United States.

I am familiar with the Trocadero in San Francisco. I didn't know that there was any amusement concession there. I know of it as a restaurant. I do not know that they attempted to make a pleasure resort out of the place.

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I am familiar with the recreation park that now exists at the junction of Sloat Boulevard and the Great Highway. I do not know whether there is a liquor license there or not, nor whether there is a saloon on the corner there. I have passed the corner many times, but I have not a distinct recollection as to whether there is a saloon there or not. I have not thought of this place as available for road-houses and liquor licenses. I had thought of it as a people's park to which women and children, as well as men, would go. I had never heard of a project to develop Sutro Heights as an amusement concession, and I do not know as to what the reception given to that project by people who might have taken advantage of it was.

Car No. 12 reaches parcel "C", and the Parkside car terminates at 39th and Sloat Boulevard, which is a block or two above the upper corner. The Parkside car connects with Car No. 17, and serves the Parkside District.

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It is my recollection that from the Cliff House to Sloat Boulevard, along the Great Highway, frame buildings have been put up and used for saloons and road houses. There are two or three resi-

3172 dences, and one large residence, the Russell place. I remember no large grounds or residences except the Russell place on that stretch, but I believe that immediately back of the highway there are a number of smaller structures, cottages. If I remember correctly, these smaller residences were within a block or two back of the highway, almost its entire length from the park to within a block or two of Sloat Boulevard. They are scattered, and are a cheap class of construction.

RE-DIRECT EXAMINATION BY MR. OLNEY.

3173 There is a distinct difference between the use of the lakes as a recreation park for the public in general, and the use of them in the connection concerning which I testified on my direct examination. A greater value would attach to the property through the use of the lakes by those individuals who own lots or home sites in this property, and this property alone. In placing my valuation on this entire property, I had in mind that the use of the lakes should be confined to the purchasers of this property alone, and I had in mind a water park for the sole benefit of the owners of the surrounding property.

3175 I am aware of offers for business property in the immediate vicinity of parcel No. 1. The source of my information is Joseph A. Leonard, of the Urban Realty Improvement Co.

3176 (This line of testimony was allowed to go in subject to corroboration.)

3177 Mr. Leonard informed me that he made an offer for the gore, lying between Ocean Avenue and Junipero Serra Boulevard, and adjoining Ingleside Terraces, containing .83 of an acre, more or less, of \$25,000 cash, and that flat offer was refused. There are several circumstances that should be taken into consideration in drawing any deduction from this offer with relation to the value of business property in that immediate vicinity. One of the most important ones is that the building on that property was occupied by a saloon which was a detriment to the neighborhood from a residential point of view. Another one is that this corner is at the junction of Ocean Avenue and Junipero Serra Boulevard, two important, and much traveled highways, and therefore had a value for ordinary business purposes; shop, garage, possibly, and the like. This property, I believe to be adjoined by Ingleside Terraces.

Questioned by Mr. Searls.

I am under the impression that this is a gore lot, and that Ingleside Terraces lay to the south. I do not think Mr. Leonard owns property to the north of Ocean Avenue. Charles Sutro is the owner of the property north of Ocean Avenue, I believe.

The fact of its present occupancy as a saloon was undoubtedly an inducing cause for the offer which would not necessarily show its

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

value for business purposes, and the second circumstance that I mentioned as to its situation, gives it a value for business purposes. The method of getting rid of a saloon through purchase was one method of ridding the Ingleside Terraces property of something detrimental. It is fair to presume that Mr. Leonard would have been willing to pay more than the property was worth as business property alone in order to rid the neighborhood of the saloon, and that the total price of \$25,000 merely gave a very general index of what might be expected as possible business values in that vicinity. There is .83 of an acre in that place. I think it is only fair to point out that this has more available frontage at the focal point of value than my lot has. Ocean Avenue is where the street car comes in.

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RE-DIRECT EXAMINATION BY MR. OLNEY.

This offer of \$25,000 shows the great advantage of restrictions in removing detrimental influences from residential neighborhoods. Had Mr. Leonard owned this whole property at one time, no saloon would have been there, and it would not have been necessary to have paid any premium in order to remove such a detrimental influence. He was practically paying a very high price for this property so that he might have the advantage of extending the restriction over it.

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The land under consideration totals 2,499 acres, from which should be deducted a little over 200 acres, which in my opinion, are not most suited for residential development, leaving about 2,200 acres to be disposed of in the other manner. Between 1906 and 1913 the population of San Francisco increased at the rate of about 20,000 a year. It is my experience that a property can be sold by the time that 20 or 25 percent is built upon. The sales of lots are made much more rapidly than the actual settlement of the property, and I should expect that by the time one-fifth of the acreage had been actually built upon, all of the property would have been sold. Taking the 50 lot unit, 2200 acres would produce about 11,000 lots, one-fifth of which would be less than 2,500. The average density of population per acre in the most thickly settled section of San Francisco, which is divided into a smaller lot unit, is about 35 per acre. It is reasonable to expect a not greater density than 20 per acre in this section, or a total on 2,500 lots of 10,000 people, and with an increase of population in San Francisco of 200,000 per decade, I should think, using this calculation as a basis, that this property could be sold at retail in its entirety in 10 years.

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RE-CROSS EXAMINATION BY MR. SEARLS.

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I did not intend to confine the use of the lakes to the owners of lots directly fronting thereon, but was making it common for certain tracts, but not for the city in general. When the property was fully sold and built upon, there would be a considerable population that would have privileges on the lakes, but by confining the privilege to

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the people who would have community interest in seeing that the lakes were properly used I feel that there would be no disadvantage to have a large number of those people using them. If you had 6,000 or 7,000 people who were entitled to use them, I should expect that such restrictions could be made as to confine the use in such a way that it would not be any disadvantage to the users that had a right in the property. I do not suppose that it would be possible to limit it to them and not to their friends, but it would be possible to prevent the use of the lakes by the sort of people whose use would be decidedly objectionable. I do not think that any well conducted recreation park would permit rowdyism to go on. I presume it is fair to say that they would lose money as a financial investment if they did.

ABSTRACT OF TESTIMONY FOR DEFENDANT.

Smith Witness: NORWOOD B. SMITH, for Defendant.

3185 DIRECT EXAMINATION BY MR. STEINHART.

I reside in Palo Alto, and am in the real estate business with the University Realty Co. I am an officer of that firm, and have been for three and a half or four years. At present I am president of the corporation. I have been in the real estate business about five years, and prior to that time was with Cotton Bros., general contractors in Oakland. I was with them from the time of the fire up till five years ago, and prior to that time was, for a short period, conducting the affairs of the Dodge Stationery Co., but for most of the time was in the land department of the Southern Pacific. From the time I left college until I went to the land department of the Southern Pacific, I was with Vickery, Atkins & Torrey. I attended Stanford University in Santa Clara County.

Questioned by Master.

I did not graduate from college, but left college in the fall of 1899.

DIRECT EXAMINATION BY MR. STEINHART.

I did not graduate from high school, but I was in high school over two years.

The University Realty Co. engaged in real estate in all of the peninsula counties, but mostly in San Mateo County. The total sales for the last four and a half years is \$1,600,000. Of the entire number of sales, there were 14 with which I had nothing to do, but all of the others were handled either by my partner and myself, or by myself. In round numbers I have myself, during the last four and a half years, handled exclusively, or with others, sales approximating

\$1,500,000. During that time the business of the University Realty Co. has been concerned almost exclusively with what is known as country estates, and we have been engaged in dealing with country estates particularly in Woodside, La Honda, Los Altos, what we call the Coast Country, and also Menlo Park. I am familiar with the lands owned by the Spring Valley Water Co. in San Mateo County, and have known them since 1897. I have been over them since I was a student of the University, and went over them while I was a student there. I have been over them a great many times in the interval between the time that I went over them on this case and the time I went over them while at the university. I have kept no count of the number of times I have been over those lands since my employment on this case. I have made an appraisal of those lands for the purpose of this case, which took approximately 2 months in the field, and over a month in the office, and at Redwood City, and seeing neighboring owners and people who had purchased similar or contiguous lands. It took about 3 weeks or a month to go over it again this Spring. I spent every day of the 2 months in the field, unless it rained. I remember once we were driven in by the rain, and at another time by a dense fog, but those are the only times that stand out in my mind. There may have been others. We spent, during those 2 months, from 7 or 8 o'clock in the morning until 6 or 7 at night on these lands. After those 2 months I went on the land at other times, and I have spent all told approximately 4 months in preparing this appraisal.

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The Spring Valley land is suitable mostly for residential purposes, or country estates, being the same type that the La Honda country was suitable for. The sales made by me in the La Honda country total a little over \$388,000, and the amount of acreage included was 6,960.97, making an average per acre of \$55.04. That covered a period between 1911 to the end of 1913, I think. In my judgment, the La Honda country is a much finer district than the Spring Valley lands of a similar grade. The climatic conditions of La Honda are very much better than on the Spring Valley lands, as it is warmer, and the prevailing winds do not get into the La Honda country; there is very much less low fog. The growth of foliage in the La Honda country is better. The brush, where there is any, is more luxuriant; the timber is more beautiful, being redwood, while the only timber on the Spring Valley lands is some sort of fir, excepting where they have forested it themselves. The general character is better suited for residential purposes.

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Questioned by Mr. Greene.

Mr. Lawrence said that there were six redwood trees somewhere on the Spring Valley property, but beyond that there is no redwood on the Spring Valley property north of Woodside. The Spring Valley owns very dense redwood in Pescadero, but I do not refer to that.

DIRECT EXAMINATION BY MR. STEINHART.

I was mistaken when I said there were only six trees, because in the West Union there is very dense redwood growth, and up on the Ridge Road, and in the back part of parcel 191, and other parcels down in the southern part contain a very dense second growth of redwood.

Questioned by Master.

As to the six trees, I had in mind north of the Half Moon Bay road.

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DIRECT EXAMINATION BY MR. STEINHART.

By the Coast Country, I mean from La Honda to the ocean, and south to the Santa Cruz district. Our total sales there were \$62,054.

Questioned by Mr. McCutchen.

The \$300,000 was in the La Honda country, and the \$62,000 was in the coast country, which is just within the Santa Cruz line in what we call the Waddell Creek district, although it was not all in Santa Cruz County. Some of it was in San Mateo County.

DIRECT EXAMINATION BY MR. STEINHART.

The total acreage was 2,684 acres, and the average price per acre \$23.11. Some of that land is comparable with the lands in the westerly portion of the Spring Valley land, and some of it is not.

Questioned by Master.

The particular lands that made up the bulk of the coast country are the lands through which the Waddell Creek runs; those lands are very similar to the Pilarcitos, excepting that it has a very dense growth of redwood and more water.

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Questioned by Mr. McCutchen.

I think it is about 15 miles below Pescadero.

Questioned by Mr. Greene.

It is 4 miles north of Mill Creek.

Questioned by Mr. McCutchen.

I have not computed how far south of Half Moon Bay it is. It is the distance from Half Moon Bay to Pescadero, plus 15 miles.

DIRECT EXAMINATION BY MR. STEINHART.

It is on the highway of the coast line, and the portion that I have described is very much better than land of the Spring Valley of a similar type. It is more picturesque, and has a better estate value.

I am familiar with the type of subdivision at El Cerito Park, and Easton, which is outside of Burlingame Hills. It is made up mostly of lots, except in El Cerito, where it is small acres. The average of those we sold is 134 acres.

Questioned by Master.

An estate might run from 5 acres up.

DIRECT EXAMINATION BY MR. STEINHART.

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The acreages in the subdivision such as is near the state highway run from an acre to 2 or 3; sometimes a trifle larger. El Cerito is small acreage, and it is not at all the type of subdivision that the Spring Valley land is adapted to. The price per acre, in relation to country estates as far as comparison with small acreages is concerned, is less in the larger acreages, usually involved in a country estate. From my observation, the first type of subdivision as one goes from the state highway west, is apt to be lots or very small acreage, and the acreage increases as you go west. I do not think the increase in acreage has any effect on the price, but I think the price has an effect on the size of the acreage; a lower price induces a larger acreage.

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My valuations are as of December 31, 1913, and I have considered the presence of the lakes, and in appraising the land, I gave its highest value from a real estate point of view, and I assumed that the lakes were a part of the land. The lakes increased the valuation of certain parts of the land, more particularly in the matter of view. In valuing this land, I valued it as a whole.

(Counsel for Defendant advised that the total of Mr. Smith's tabulation would have to be changed because of a typographical error in parcel 68.)

This tabulation offered and received in evidence as "Defendant's Exhibit 47".

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Questioned by Master.

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Referring to parcel 2; the process is the inverse of multiplying my price per acre by my watershed area. I arrived at the value of the property, and divided by the watershed area. In other words, I arrived at the value of the whole property and divided it by the watershed area.

DIRECT EXAMINATION BY MR. STEINHART.

Parcel 2, on Map 3, could hardly have the value I have given it if it were taken as a separate parcel, because there would be too much of what we call overhead submerged.

Parcel 2; small portion of the point of Spring Valley Ridge, a strip across the northerly point of Cahill Ridge, and the land embracing San Mateo Creek dam No. 1. This latter land about the settling lake is heavily wooded with fir and oak. The strip across Cahill Ridge is rough and steep, and the corner upon the lower point of Spring Valley Ridge is heavily wooded with hardwood and brush. \$274.75 per acre, total \$5,605.

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Parcel 3, Map 3, 41.75 acres, all in the watershed; lies in the gulch between Maloney's Hill and Scarpa's Peak. Very precipitous on both sides of the gulch, the right bank being heavily wooded with

fir. Otherwise brushy, with occasional fir and hardwood timber. Value \$1,565.63, or \$37.50 per acre.

Parcel 4, Map 3, 2 acres; on east slope of Sawyer Ridge, on the very rough sidehill. Contains the east portal of Tunnel No. 2 of the Pilarcitos Aqueduct. Value \$100, or \$50 an acre.

Parcel 4, Map 3; acreage 2, in the valley of the San Mateo Creek, just below Dam No. 1, and runs up on the rough west slope of Sawyer Ridge. Contains the west portal of Tunnel No. 2 of the Pilarcitos Aqueduct. Value \$250, or \$125 per acre. Referring to parcel 3, it is not visible from the Pilarcitos flume, being at least a quarter of a mile or more south of the terminus of that flume. The flume as it now exists ends over a quarter of a mile north of parcel 3; the old flume, which is all rotted out, runs down into one of those gulches, but is impassable, and that condition existed when I first went on the land for the purpose of this case.

Parcel 5, Map 3; 40 acres gross; watershed acreage 23.6. Lies at the base of the west slope of Cahill Ridge, crosses Pilarcitos Lake, and corners on the extreme southerly point of Spring Valley Ridge. The Cahill Ridge portion of this parcel is very steep, rough and brushy, with a few scattering firs. Value \$3,350, or \$141.95 per acre.

Parcel 5-1, Map 3; gross acreage 31.626; watershed acreage 28.33. It is the extreme southerly end of Fifield Ridge, and the extreme northerly end of Cahill Ridge, the latter being very rough, and the former clear land. Value \$3,588.12, or \$126.64 per acre.

Parcel 5-2, Maps 2 and 3; gross acreage, 2,921.32; watershed acreage, 2,852.82. Commences at the crest of the Spring Valley Ridge, dips into the east Pilarcitos Valley, and corners up upon the crest of Fifield Ridge. This portion is steep and brush-covered. From the crest of Spring Valley Ridge, the tract dips down the west slope in a southerly direction, and up to the crest of the Montara Mountains; thence in a southeasterly direction it embraces the entire east slope of the Montara Mountains, including a portion of the point of Spring Valley Ridge, and continues down the Pilarcitos Canyon a mile below the dam. Thereafter it comprises a strip approximately $\frac{3}{4}$ of a mile wide, bisected by the Pilarcitos Creek, and extends a mile below the Stone Dam. The portion which lies upon the east slope of the Montara Mountains, from Pilarcitos Dam northwesterly, is exceedingly precipitous and rough, the hills being cut by gulches and covered with a dense windswept growth of brush. At the dam, and southerly therefrom, the brush is superceded by a dense growth of hardwood and buckeye, excepting at the crest of the ridge, where there are large open tracts with patches of brush. Southeast from the dam, on the right bank of the creek, is a very heavy growth of fir, oak, madrone, etc., with alder and bay in the gulches. The left bank of the canyon is barren, excepting for a dense, wind-beaten growth of chaparral extending to the crest of the Cahill Ridge, with

scattering fir in most of the gulches. A flume extends southeasterly along the right bank of the creek, tapping the various gulches for a distance of approximately 5,000 feet. An old flume, rotted and impassable, continues half a mile or more farther through parcel 3. and into parcel 6. The walls of the canyon become more and more precipitous as the Stone Dam is approached, and below the dam the right bank is exceedingly precipitous, with a growth of fir about half-way to the crest of the Albrecht Ridge. The upper part of the ridge is very rough and gulchy, barren and exposed to the cold foggy winds. Valuation \$166,749.53, or \$58.45 per acre.

In a general way, parcel 5-1 is comparable with the lands I have sold in the La Honda country, but the La Honda country is much finer in that it is better timbered, better fields, climate, better general location, and better neighborhood. It is more accessible.

3200

The lands east of the Buri Buri Ridge are better than those west thereof. The slope to the highway, and the railroads, and other transportation facilities, and the growth is better, the trees are better, presumably due to better climate, and they already have a neighborhood there. The climate of the lands east of the crest of the ridge is warmer, taking the entire year around; there is less fog and wind.

3201

Parcel 6, Map 3; 80 acres, on east slope of the Montara Mountains at the extreme north of the spur which culminates in Ox Hill. This northern point of the Ox Hill spur is known as Maloney's Hill. Mr. Lawrence told me on the ground that as far as his records were concerned, that the relation of those two hills was just reversed; that the northern one was Ox Hill, and the southerly one Maloney's Hill; the Government records show it the other way, but whether correctly or incorrectly, I do not know. Where I refer in my testimony to Ox Hill, it means the sharp timbered piece at the south of parcel 60 on Map 3. The entire tract, with the exception of the spur in the center, is heavily wooded with fir, and exceedingly precipitous. The central spur is brush-covered, with small clearings, and is less precipitous. Valuation \$2,715.63, or \$33.94 per acre. There are no roads leading through parcel 6. I examined that parcel by crossing over the Grainger property, which is the old Scarpas piece. There is a trail which crosses from Scarpas Peak, the culminating point of the main ridge of the Montara Mountains, over to the Albrecht Ridge. It is not visible from the automobile road. You can see portions of it from Scarpas Peak, but you cannot tell about its character without going on it.

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Scarpas Peak is just west of parcel 124, and the old Scarpas property adjoins 124 on the south. It consists of 240 acres, and was sold to Payne Grainger on the 19th of March, 1913, at \$11.25 an acre. There are some small parts of 124, and 5-2, which, if they were cleared, would be very similar to the Grainger land, but the Grainger or Scarpas land was all cleared when it was sold. At any rate, there

3203

was quite an area cleared, and it is under cultivation at the present time. The easterly portion of the Grainger tract is heavily wooded with fir, very similar to the lower portion of 124. I have a picture of the Grainger piece here.

Picture introduced in evidence and marked "Defendant's Exhibit 48".

I took that picture myself, April 25th, 1914. The Scarpas land is south from parcel 124, and southwest from parcel 6, and west from parcel 60, and north and east from parcel 29. It is contiguous to all those parcels.

Parcel 7, Map 2; 160.4 acres, lies across the top of Whiting Ridge, and dips down into the valley which drains into the west arm of Pilarcitos Lake. Value \$6,291.50, or \$39.22 an acre.

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Parcel 8, Map 2; 160 acres; the north portion lies at the apex of Whiting Ridge, and includes the rolling hill, known as Strawberry Hill. The balance is exceedingly rough, and cut by deep, steep gulches, and is covered with brush. Value \$3,625, or \$22.65 an acre.

Parcel 9, Map 2; 58.25 acres; lies to the east of parcel 34 on the crest of the Montara Ridge, and is covered with brush, excepting along the crest of the ridge, which is very wind-swept and exposed. Value \$873.75, or \$15 an acre.

Parcel 12, Map 2; gross acreage 121.09, watershed acreage 102.79; lies along the east slope of Sweeney Ridge, and forms a portion of the large amphitheatre lying between the Millbrae-Pilarcitos Road, and the head of the San Andreas Lake. This entire area is steep, brush-covered hills, cut by gulches, and swept by strong winds. Value \$10,100, or \$98.25 per acre.

Parcel 13, Map 2; gross acreage 369.39, watershed acreage 332.74; lies along the easterly slope of Sweeney Ridge, and the upper third of the west shore of the San Andres Lake. It is for the most part, covered with chaparral, beaten flat by the wind, running up to the very highest point on the ridge at the lower southwest corner of the parcel, to an elevation of about 1,190 feet. Value \$29,350, or \$88.21 per acre.

Parcel 13, Map 2; gross acreage 59.95, watershed 15.15. The watershed portion is a knoll jutting out into the west side of the San Andreas Lake, most of which is covered with brush, except immediately along the shore of the lake. Value \$3,322, or \$219.27 per acre.

Parcel 13, Map 2; 102.61 gross acreage; watershed 27.41. This parcel comprises the point which divides the east and west arms of the north end of the San Andres Lake, and also a narrow strip along the east shore of the lake, below the Buri Buri Ridge Road. The entire parcel is exposed to the high winds, and is barren, excepting for some low brush along the northerly portion. Value \$6,766.50, or \$246.86 per acre.

There is not a great deal of difference between the 102 acres in parcel 13, Map 2, and the 369 acres of parcel 13, Map 2, along the lake shore, but there is a great difference in the amount of rough land which the larger piece has at the back end. In my valuation of parcel 13, having the gross acreage of 102 acres, the scenic effect of the lake played a very important part. As nearly as I could determine, the percentage of value added to the lands effected by the presence of the lakes, was a little over 100; in other words, the lands effected by the lakes add about 205 or 206 percent, or thereabouts, of the value they would have had if the lakes had not been there. 3205

Parcel 14, Map 2; gross acreage 234.56; watershed acreage 175.26. Lies along the easterly slope of the northerly part of Sawyer Ridge, extending from the San Andreas Dam northwesterly about three-quarters of a mile along the westerly shore of the San Andreas Lake, and corners well up to the crest of Sawyer Ridge. The portion lying along the lake and near the dam was quite well wooded, and the back part, comprising the greater part of the entire parcel, is very rough, precipitous, chaparral covered hills, with occasional bare spots showing the yellow soil beneath. Value \$21,332.50, or \$121.72 per acre. 3206

Parcel 15, Map 2; gross acreage 153.75; watershed acreage 143.35. Lies along the westerly slope of Buri Buri Ridge and the east shore of the northerly third of the San Andres Lake. The keeper's house is surrounded by planted trees. Very barren and wind-swept. Value \$41,581.25, or \$290.06 per acre.

Parcel 16, Map 2; gross acreage 96.11; watershed acreage 67.61; adjoins parcel 21 on the south; lies along the westerly slope of the Buri Buri Ridge, and extends below the San Andres dam. Is crossed by the Millbrae Road, and contains the keeper's house. It is of the same grade as parcel 19. Value \$23,663.50, or \$350 per acre.

Parcel 17, Map 2; gross acreage 31.69; watershed acreage 17.39. Lies along the west slope of Buri Buri Ridge, from the ridge into the lake. Barren and exposed to the winds which sweep across the lake. Value \$5,217, or \$300 per acre.

Parcel 18, Map 2; gross acreage 52.35; watershed acreage 30.19. Lies along the west slope of Buri Buri Ridge, overlooking the San Andres Lake; is barren and wind-swept. The Ridge Road runs along the easterly line of the parcel. Value \$9,057, or \$300 per acre. 3207

Parcel 18, Map 2; gross acreage 66.90; watershed acreage 53.36. A portion lies along the easterly shore of the easterly fork of the upper end of the San Andres Lake. The balance lies across the spur which divides the east and west arms of the upper San Andres, is heavily covered with brush, and excepting for a small portion on the east slope of this spur, is exposed to the strong winds of the district. Value \$12,507, or \$234.39 per acre.

Parcel 19, Map 2; gross acreage 66.92; watershed acreage 43.12. Lies on the westerly slope of the Buri Buri Ridge, from the crest of

the ridge into the San Andres Lake, and is rolling, partially forested, and has scattering oak trees. Very much exposed to the high winds. The view across the lake from the southerly portion is superior to that farther north. Value \$14,839.50, or \$344.14 per acre.

Parcel 20, Map 2; gross acreage 36.60; watershed acreage 16.90. Lies along the west slope of the Buri Buri Ridge, immediately west of the Silva tract, and extends from the Ridge Road into the San Andres Lake. Easterly portion has been forested. Value \$5,492.50, or \$325 per acre.

The upper portion of parcel 19 would command a view of the bay, and the portions to the east of Buri Buri Ridge have the same view.

3208

Parcel 21, Map 2; gross acreage 34.52; watershed acreage 20.72. It adjoins parcel 19 on the south, and extends from the crest of the Buri Buri Ridge down the westerly slope into San Andres Lake. The Millbrae Road passes through the easterly portion. It is about the same grade of land, or a little better than parcel 19. Value \$7,252, or \$350 per acre.

Parcel 25, Map 3; gross acreage 27.23; watershed 27.23. Lies along the west slope of Cahill Ridge, from the crest of the ridge to the old Locks Creek flume, and at its lower portion includes the west portal of Tunnel No. 1 Stone Dam Aqueduct. Very steep and rough, and covered with dense brush, and some firs in the gulches. Value \$408.45, or \$15 per acre.

Parcel 27, Map 3; gross acreage 67.99; watershed 67.49. Various portions lie along the crest of Cahill Ridge, and point down upon the west slope. The greater part of each of these small triangles, with the exception of the most northerly piece, is comparatively flat, well timbered, and bordered by the road along the ridge. The most northerly portion overlooks Pilareitos Lake, and is quite rough. Value \$3815.67, or \$56.53 per acre.

Parcel 28, Map 2; gross acreage 235.76; watershed 235.76. This portion of the parcel lies along the southerly slopes of Peak Mountain; is very rough, and mostly too gulchy even for cattle. It is in a district rarely free from fog during the summer and fall. Along the crest of the Montara Mountains there are some open spots. Value \$3,036.40, or \$12.88 per acre. Peak Mountain is sometimes called Mt. Pedro, and is the mountain in the extreme northwesterly part of the Spring Valley lands.

3209

Parcel 28, Map 2; gross acreage 160.40 acres, watershed 160.40. This tract lies on the crest and down the easterly slope of the Montara Mountains. About one-fourth of it is exceedingly rough and gulchy, the balance rolling and more or less brush-covered. Value \$4,648, or \$28.97 per acre.

Parcel 29, Map 3; gross acreage 824.56; watershed 824.56. It embraces a large portion of the Locks Creek watershed, and is very

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

precipitous and is full of gulches. The hills are steep and brush-covered, and exposed to the winds from the ocean. The easterly portion lies east of the road from Grainger's property to the Half Moon Bay road; is very steep, brush-covered and full of slides. The southerly portion is cut by a very deep gulch. Value \$4,101.40, or \$4.97 per acre.

Parcel 33, Map 3; gross acreage 153.50; watershed 153.50. It is a deep gulch, and contains the head waters of Locks Creek. The walls of the gulch are very steep, and with the exception of one spur, the top of which is comparatively rounded, are so precipitous that they would form dangerous cattle traps. Covered with low, wind-swept brush. Value \$1,612, or \$10.50 per acre.

Parcel 34, Map 2; gross acreage 58.84; watershed 58.84. Lies along the crest of the Montara Ridge, is very rough and broken country, wind-swept and exposed to fogs. Value \$882.60, or \$15 per acre.

(The Master stated that they saw parcel 33 from the top of the ridge.) 3210

Parcel 36; gross acreage 135.24; watershed 103.14. Lies at the southerly side of Crystal Springs Dam, and extends from the crest of the northerly point of Pulgas Ridge to the Crystal Springs Lake. The upper portion along the ridge is comparatively flat and bare. The northerly portion is very steep, and heavily covered with oak, madrone and buckeye. The westerly portion, sloping down to the lake is quite steep and heavily overgrown with oak, except at the southerly part, where it is comparatively open, with a dense growth of trees in the gulches, and scattering trees on the high knolls. It is of a very much higher grade than the parcel at the northerly side of the dam, because of the scenic quality added by the presence of the lake, although it is equally wind-swept and exposed to the cold fog during a large part of the year. The San Mateo to Half Moon Bay Road passes through the parcel. Value \$29,623.87, or \$287.22 per acre.

Referring to parcel 29, the Scarpas and Grainger sale were contiguous to that; as was the sale of the Bernoli land to Wolff. Then there was a sale from Fanciola to Reghetti, 477.75 acres, on September 3, 1912; the price being \$17.20 per acre, including improvements which were valued at \$1,000, leaving the land at approximately \$15 an acre. The Fanciola to Reghetti sale lies south and east of parcel 29, in Sections 9 and 16, Township 5 South, Range 5 West. This land also lies southeast of 29. 3211

Questioned by Master.

It includes the quarter section under the figure 9, and also the portion north of 16, and also includes a large, long neck of land which runs down into the Spanish grant directly south of No. 16 on the map.

Questioned by Mr. Searls.

We saw a portion of that piece on top of the ridge.

DIRECT EXAMINATION BY MR. STEINHART.

3212 Parcel 37, Map 4; gross acreage 516.43; watershed 350.43. Lies along the west slope of the Pulgas Ridge, from the crest of the ridge westerly to the Crystal Springs Lake. The easterly portion is mostly a large plateau rolling towards the south, and is barren, rocky and wind-swept. The portion lying northerly from the upper Crystal Springs dam, and bordering on the lake, is wooded with oak in the gulches. The remainder is practically devoid of trees, and is very rocky. The southerly portion adjoins the San Mateo County Poor Farm. Value \$40,930.22, or \$116.80 per acre.

Parcel 38, Map 3; gross acreage 95.14; watershed 23.82. The small portion which is not submerged lies on the knoll which juts out into the Crystal Springs Lake opposite the dam. It is well wooded with oaks, except the southeasterly portion, which is more or less open. Value \$13,101, or \$550 per acre. The lake view played a very great part in my valuation. Outside of the lake view that piece has scenic beauty in the way the land lies, and the oaks which are on it, and the view it probably would have had if the lake were not there. The scenic quality is very much greater with the lake there than imagination could possibly conjure up if the lake were not there.

3213 Parcel 39, Map 3; gross acreage 2,162.25; watershed 2,094.05. It embraces the entire Sawyer Ridge and San Mateo Creek Canyon, from the Fifield ranch southeasterly to a point about half a mile below San Mateo Creek Dam No. 2; thence it embraces the crest and southwesterly side of Sawyer Ridge, and the easterly side of Cahill Ridge, as far southeasterly as Sherwood Point. All that portion which lies on the easterly slope of Sawyer Ridge is densely overgrown with hardwood, and chaparral. The slope is quite precipitous. The crest of the Sawyer Ridge from the Sawyer Camp north to the east portal of Tunnel No. 2 of the Pilarcitos Aqueduct is comparatively bare land, with patches of brush which show indications of spreading. The entire westerly slope of Sawyer Ridge from the westerly portal of Tunnel No. 2 of the Pilarcitos Aqueduct is very precipitous and densely overgrown with shrubs and chaparral, with a few firs, and is cut by deep gulches, with occasional slides at the northerly portion. The crest of the ridge from Sawyer Camp Road to Sherwood Point is densely overgrown with chaparral and some hardwood timber.

The easterly slope of Cahill Ridge from the San Mateo Creek Dam No. 1, south to the east portal of Tunnel No. 1, Stone Dam Aqueduct, is extremely precipitous and gulchy, with quite a dense growth of fir, oaks, madrones, bay, and other natural trees and chaparral. From the east portal to the most southeasterly point of the tract, opposite Sherwood Point, the slope while steep, is of a far higher grade because of the scenic quality added by the presence of the lake. The crest of Cahill Ridge above this latter portion is comparatively clear land. The small portion which corners on Sherwood

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

Point is quite steep, but must be considered as a part of the adjoining land, and graded as such. Value \$134,216.66, or \$64.09 per acre.

Parcel 40, Map 3; gross acreage 13.23; watershed 9.33. Lies on the easterly slope of Sawyer Ridge from the crest to the Crystal Springs Lake. Entire tract very steep and heavily grown to chaparral, with hardwood timber near the lake. Value \$442.35, or \$47.41 per acre.

Parcel 41, Map 3; gross acreage 44.95; watershed 42.45. Lies along the easterly slope of Sawyer Ridge; quite steep and heavily covered with brush, excepting at the top, and near the shore of the lake, where there are hardwood trees. Value \$3,552.50, or \$83.68 per acre. 3214

Parcel 42, Map 2; gross acreage 22.38; watershed 22.38. Lies along the west slope of the Buri Buri Ridge, adjoins parcel 16 on the south, and is cut by a small gulch. Value \$6,333, or \$282.98 per acre.

Parcel 43, Map 2; gross acreage 80; watershed 80. Rolling land, dipping down into deep gulches. The upper part is fairly flat, and entire parcel very much exposed to the high winds from the ocean. Value \$2,710, or \$33.87 per acre.

Parcel 43, Map 2; gross acreage 312.69; watershed 311.69. Lies along the northerly part of the Spring Valley land, cornering at the west shore of the San Andres Lake, thence the land rises over the steep rolling east slope of Sweeney Ridge, which is covered with dense wind beaten brush; thence down into the extreme northerly part of San Mateo Creek Canyon, which at this point is not very deep; thence across the most northerly part of Fifield Ridge, terminating in deep, gulchy country, comprising the head waters of San Pedro Creek. Value \$15,584.50, or \$50 per acre.

Parcel 44, Map 4; gross acreage 21.86; watershed 9.46. The watershed portion lies across a knoll adjoining the southerly portion of parcel 46. This knoll is quite heavily wooded with wind-swept oak trees. Value \$629.90, or \$66.58 per acre.

Parcel 45, Map 4; gross acreage 154.17; watershed 147.47. Lies at the base of the Sierra Morena Ridge, just south of the junction with Cahill Ridge. The Canada Road crosses this tract in its south-westerly quarter and above the road is a dense growth of oak and other natural trees and brush, while below are two knolls, one in the northerly portion, and one in the southerly portion of the property. The entire parcel is exposed to very strong winds. Value \$8,906.90, or \$60.40 per acre. There are some parts of 45 which are finer than parts of 46, and there are some, that in my judgment, are not as fine. The central portion of 45 is practically the same as the northeasterly portion of 68 lying just to the south and southeast. There is nothing particular about 45 to grade it very much higher than a considerable portion of the land along the slope of the ridge in that district. 3215

Questioned by Mr. Searls.

It is very nearly all on the hillside. There is a little less than half of it above the road, which comprises a dense growth of oak and other trees and brush. The portion which is shown on the map as being submerged, was exposed to our view at the time of our trip, and was dense willows.

3216

Questioned by Master.

I would not say that all of this submerged area in 45 was willows. Behind the willows was a portion consisting of a big flat, or a sort of meadow; there was a little trickling stream through the middle of it, running out into what might be called an inlet, or dredger cut.

DIRECT EXAMINATION BY MR. STEINHART.

Parcel 46, Map 4; gross acreage 294.53; watershed 150.43. Lies at the base of the Cahill Ridge at its most southerly point, and runs into the upper Crystal Springs Lake. For the most part it is bare land, there being a fringe of oaks along the lake shore. These trees evidence the very high west winds which are prevalent in this district. The southerly portion of this tract crosses the high knoll overlooking the lake. Value \$11,527.40, or \$76.63 per acre. I have a picture of that only from a distance.

3217

Parcel 47, Map 4; gross acreage 70.75; watershed 49.25. All of it, with the exception of a small portion which lies south of the Half Moon Bay Road opposite Byrnes' store, lies across a barren knoll, just north of the Half Moon Bay Road, near Byrnes' store. There is a fringe of oak along the lake shore. The entire tract is very wind-swept. Value \$4,725, or \$95.94 per acre.

Parcel 48, Map 4; gross acreage 1,161.78; watershed 925.88. Lies along the west slope of the Pulgas Ridge from the crest of the ridge to the upper Crystal Springs Lake, and extends from the San Mateo County Poor Farm on the north to the upper point of the lake. The northerly half is very rough, excepting at the back part, where there is a high plateau of clear land used as a hay field. This plateau culminates in a very high hill known as Cemetery Hill, and is bordered on the south by a very deep gulch which drains into the Crystal Springs Lake immediately north of the directors' cottage. The lake front of this part of the tract is a long, bare knoll, with oaks at the most southerly end. The remainder of the parcel is rolling land. Value \$86,153.13, or \$93.05 per acre. (The Master advised that this is the Burke piece.)

3219

Parcel 49, Map 4; gross acreage 659.80; watershed 643.9. Lies on the east slope of the Sierra Morena Ridge from the head of the upper Crystal Springs Lake to the head of the mountains. That portion near the lake is open and comparatively flat. From these flats to the Canada Road which crosses the property, and for a distance of about 100 yards westerly of the Canada Road there is a very dense growth of oaks and madrones. Immediately west the land rises

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

upon the side of the mountain, and becomes very rough and gulchy until towards the top it is extremely steep and cut by sharp gulches. At the highest point along the ridge there is a small cleared field, and the upper portion of this parcel is similar to the McFarland land across the Ridge Road. Value \$27,263.50, or \$42.34 per acre. I think the McFarland land is for sale.

Questioned by Master.

I have a letter from Mr. McFarland, received in 1913, and these figures which I quoted on the ground, and of which I have a memorandum here, are worked out from that letter. The letter named a price for the whole thing, including certain stock, as I recall it, and certain buildings. This piece, 49, is the O'Callaghan piece.

3220

Questioned by Mr. McCutchen.

Portions of the McFarland property are like the back part of the O'Callaghan piece. I have not talked with Mr. McFarland recently, but I think that he will not sell the property for that price now. He is running it as a dairy ranch now.

The following was read from the McFarland letter by Counsel for Defendant: "Noting your favor of February 16th, I will state "that my land is tied up in two real estate offices here in the city "till the first of March, but I can make arrangements to pay you a "commission of 5%, as you state, providing you sell on my terms; "I add \$500 to my price that I am tied up for." Counsel for Defendant then stated that he took it that that tie-up is no indication of any higher price, but that on the other hand, he states in this letter just what he is willing to sell it for. Counsel for Plaintiff states that he says his price is \$16,500, but that he does not say he would sell for that price, and apparently he is not in a position to make the sale; that further the letter does not contain any date except February 17th, without the year.

3221

3222

DIRECT EXAMINATION BY MR. STEINHART.

The price at which it was offered figured the land at approximately \$19 an acre, the acreage being in round numbers 711 acres. He includes in the letter 20 cows, 13 large calves, about 10 tons of hay, some tools, a horse or two, buildings that cost over \$6,000, etc. Making reasonable deductions for those, the price at which the land figured was about \$19 per acre. The deductions which were made totaled \$8,150, and which at the time I cut to \$5,000, because I believe a man always over-estimates the price of any personal property or buildings, and for that reason, and to try to arrive at a fair valuation of the land itself, I cut the \$8,150 to \$5,000. The land lies immediately west of the upper portion of the Claffy tract, which is 191, immediately west of the upper portion of the O'Callaghan piece, which is No. 49, and also west of portions of the Linehan place; it extends for quite a distance west.

3223 Parcel 50, Map 4; gross acreage 481.80; watershed 310.90. Lies at the base of the Sierra Morena Ridge, and fronts on the upper Crystal Springs Lake. It is crossed by the Canada Road, above which the land rises quite rapidly, is heavily wooded with oak, particularly at the southerly part, where the trees are quite large. At the northerly portion the tract is cut by a deep gulch, in which are some few red-woods well up on the mountain, and firs. It is all very wind-swept. The westerly portion is heavily covered with dense chaparral. That portion lying easterly of the Canada Road is heavily wooded, excepting at the southerly part, which is more or less open. The knoll at the extreme southeasterly portion of the watershed area of the tract is high, and overlooks the lake. Value \$20,339, or \$65.42 per acre.

Parcel 50, in my opinion, could not have been disposed of at \$350 an acre on December 31, 1913, taking it in connection with all the rest of the land.

Parcel 51, Map 2; gross acreage 17.52; watershed 17.52. Lies at the upper end of the east fork of the San Andres Lake, and adjoins parcel 144 on the east. It lies in the floor of the small valley. Value \$8,066, or \$175 per acre.

Parcel 52, Map 2; gross acreage 1.03; watershed 1.03. Lies at the mouth of the small brook which crosses parcel 130, and flows into the San Andres Lake. Value \$206, or \$200 per acre.

3224 Parcel 53, Map 2; gross acreage 5.18; watershed the same. Lies along the easterly slope of the low, wind-swept slope of Buri Buri Ridge, and adjoins parcel 51 on the east. Value \$906.50, or \$175 per acre.

Parcel 54, Map 4; gross acreage 104.22; watershed 64.32. Lies on the west slope of the Pulgas Ridge, from the crest of the ridge to the Crystal Springs Lake. The high portion is a large, rocky plateau, swept by the winds. The portion below Half Moon Bay Road is slightly indented with gullies, and more or less wooded with oaks. Value \$12,999.72, or \$202.11 per acre.

Parcel 55, Map 4; gross acreage 98.94; watershed 74.24, and in using that acreage, 74.24, it was used because they were the figures given by the City; I noticed in checking over some of the other figures, that in one case 24.70 acres was used, and I do not know which is correct. (Counsel for Plaintiff advised that 24.70 is correct.) This parcel, 55, lies easterly of the Canada Road, near the head of the submerged area of the upper Crystal Springs Lake. It is for the most part a large knoll, heavily wooded with oaks and madrones. Value \$6,675, or \$89.91 per acre. That is reached from the Canada Road, and the valuation of \$89.91 per acre is in case the acreage is 74.24.

Questioned by Master.

I will have to look up the gradations in order to determine whether that would give it the same gross price.

Parcel 60, Map 3; gross acreage 240; watershed the same. This portion of the parcel contains Ox Hill in its center. To the north the spur extends to Maloney's Peak in parcel 6, and slopes very precipitously on either side to the east and to the west. The westerly slope is cut by deep gulches and slides. The easterly slope is covered with dense chaparral, and some fir timber, and extends down to the east side of Ox Hill. This east slope is extremely precipitous. The southerly portion is cut by two deep gulches, and two high, rugged hogs backs. It is very rough, barren and wind-swept, with little or no growth, excepting scattering brush and fir. Value \$3,412.50, or \$14.22 per acre.

3225

Parcel 60, Map 3; containing 3.8 acres; watershed the same. This portion lies in the deep canyon next east of Locks Creek. Value \$57, or \$15 per acre.

Parcel 62, Map 3; gross acreage 43.17; watershed the same. Lies along the steep brush-covered banks at the northerly end of the Pulgas Ridge, culminating in the San Mateo Creek. It also includes the junction of the Half Moon Bay Road and the Poor Farm Road. Value \$5,249.78, or \$121.61 per acre.

Parcel 68, Map 3; 7.63 acres entirely submerged.

Parcel 68, Map 4; gross acreage 40; watershed the same. This portion of 68 lies near the crest of the Sierra Morena Ridge; is very steep, covered with brush, and wind-swept. Value \$400, or \$10 per acre.

Parcel 68, Map 4; gross acreage 116.08. This portion of the parcel lies at the divide between Cahill Ridge and the Sierra Morena Ridge, and is cut by the Half Moon Bay Road. Portion south of the Half Moon Bay Road is steep, gulchy, covered with chaparral, and scarred by small slides. Portion north of the road is rough and wind-swept, and quite brushy. Value \$2,321.60, or \$20 per acre.

3226

Parcel 68, Map 4; gross acreage 196.80; watershed 174.05. This part lies on the east slope of Cahill Ridge, from the crest of the ridge to the lake, and it is cut at its lower portion by the Half Moon Bay Road. The lower part of the tract is comparatively open land. The central portion is densely covered with brush, and the upper portion has been planted with scattering cedar. Entire tract very much exposed to the high winds prevalent in this district a large part of the year. Value \$11,410, or \$65.55 per acre.

Parcel 68, Maps 3 and 4; gross acreage 562.22; watershed 441.88. This portion lies along the easterly slope of Cahill Ridge, from the crest of the ridge to the Crystal Springs Lake. The northerly part is heavily overgrown with chaparral and brush, excepting near the lake, where there is a dense growth of hardwood timber. The southern portion of the tract is comparatively open, but is fast reverting to brush-covered land by non-use. Value \$40,350, or \$91.31 per acre.

Parcel 68, Map 4; gross acreage 57.31; watershed the same.

This portion lies on the lower half of the easterly slope of the Sierra Morena Ridge, and is cut by the Canada Road. The upper portion of the tract is heavily overgrown with brush, and is cut by two gulches. The central portion through which the road passes is well wooded with oaks. The lower point passes over a knoll which is wooded with oak and very exposed to the wind. Value \$3,880.53, or \$67.71 per acre.

3227 Parcel 72, Map 3; gross acreage 32.80; watershed 8.80. The only portion which is not within the reservoir, or within the submergible area, is at the extreme northerly end, and lies in the floor of the valley at the head of the Crystal Springs Lake, bordering upon the westerly slope of Buri Buri Ridge. It is quite heavily wooded with oak. Value \$2,860, or \$325 per acre.

Parcel 73, Map 3; gross acreage 284.55; watershed 276.45. Lies along the westerly slope of the southerly portion of Buri Buri Ridge. Comparatively flat at the easterly portion, sloping down to Crystal Springs Lake. The westerly portion is steeper, and is indented by small gulches, in which are found comparatively dense growth of oak. The parcel is exposed to the strong wind, and is pocketed by the large tracts to the north and east which make the question of transportation a very serious one in view of the consequent inaccessibility of the land. Value \$62,201.25, or \$225 per acre.

3228 Parcels 89 and 59, Map 3; lie across the lower point of Sawyer Ridge from the westerly arm of the Crystal Springs Lake, to the easterly arm. The westerly portion of the tract is very steep, and covered with brush and a few trees. The easterly portion is heavily overgrown with chaparral and oak. Value \$15,484, or \$290.83 per acre.

Parcel 73 is accessible from Millbrae, through the Spring Valley property, and across the Easton and Mills properties, by a road which runs up the valley; it was a private road, but may be a county road now; aside from that road it is necessary to go to the Half Moon Bay Road, and into San Mateo. I understand it is a public road, but whether it is accepted by the County or not, I do not know.

Questioned by Master.

I consider parcel 73 as pocketed because the road that goes from Millbrae is not one that is conducive to quick transportation.

DIRECT EXAMINATION BY MR. STEINHART.

3229 It is necessary, in order to reach the state highway, to either go up to the San Andres Dam and into Millbrae, or to go to the Half Moon Bay Road, and into San Mateo, which is the quickest way. It is a very roundabout way.

Questioned by Master.

For parcel 59 the gross acreage is 15.68, and the watershed is 6.18, and for parcel 89 the gross acreage is 47.06, and the watershed the same. The total of the watershed acreage in that piece is 53.24.

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

(Counsel for Plaintiff explained that that is the parcel where there is an undivided interest, and that it was really comprised of 62.74 acres.)

Parcel 90, Map 3; gross acreage 981.50; watershed 856.10. Lies to the southeast of parcel 73, between the crest of the Buri Buri Ridge and the Crystal Springs Lake, and along the westerly slope of the most southerly portion of the ridge, and extends to the Crystal Springs Dam and the San Mateo Creek. The northeasterly half consists, in the main, of a large, barren, wind-swept plateau, with occasional high knolls all bare of trees. The land lying along the entire westerly slope of the Buri Buri Ridge is for the most part a lower grade than the easterly slope, due to the fact that the crest of the ridge forms a windbreak, particularly where the original owners planted groves of trees to increase the wind-break. As the first foothills near the state highway are approached, the climatic conditions are greatly improved, there being less rain, considerably less wind, and a milder temperature generally. This is particularly true of the district of Redwood City and Woodside. The portion bordering the lake is indented with gullies in which are found dense growths of oak, and between which are spurs running out into the lake. The growth of trees increases towards the southerly portion of the tract. Value \$174,593.03, or \$203.94 per acre. The Carolan sale is adjacent to this. It is very much finer than parcel 90. The easterly 150 to 200 acres of it is very prettily wooded, and overlooks the highly developed Hillsboro district—the finest district on the peninsula, and it is contiguous to the best residences in that district, and generally is of a much better grade. I have pictures of parcel 90 and the Carolan piece.

3230

3231

Parcel 91, Map 3; gross acreage 28.55; watershed the same. Lies at the north end of Pulgas Ridge, from the rocky plateau at the top to the San Mateo Creek. It is very steep and heavily overgrown with wind-swept oak and chaparral. Value \$2,788.75, or \$97.68 per acre.

3232

Parcel 92, Map 3; lies across the lower point of Sawyer Ridge, known as Sherwood Point, and also includes a portion of the lower part of the east slope of Cahill Ridge due south of Sherwood Point. This latter portion is heavily wooded with fir, oak, madrone, and chaparral. Sherwood Point slopes gently into the lake, and has a number of very large oak trees on the northerly portion. Value \$14,952.50, or \$477.56 per acre. That is very much finer from a scenic standpoint than the other properties along Cahill Ridge.

Parcel 94, Map 3. Lies along the west shore of the east arm of Crystal Springs Lake at the base of the east slope of Sawyer Ridge. It is well wooded with hardwood timber. Value \$618.75, or \$125 per acre.

Parcel 96, Map 4; lies at the base of the east slope of Cahill Ridge, fronting on the Crystal Springs Lake. The bulk of it is a large knoll running high up on the hill at the back, and is heavily wooded with oak and some madrone. Value \$2,956.25, or \$242.31 per acre.

3233 Parcel 97, Map 3; lies from the crest of Sawyer Ridge down the easterly slope to the Crystal Springs Lake. It is densely overgrown with chaparral, oak and madrone. Value \$6,227.65, or \$91.46 per acre.

Parcel 101, Map 2; lies along the top of the Montara Mountains. From Peak Mountain easterly it is very rough, and the brush-covered sides of the hills are cut with gulches. Along the crest of the ridge there are some comparatively level spots. Value \$3,600, or \$15 per acre.

Parcel 102, Map 2; lies along the ridge at the head of Fifield Ridge, and slopes into the gulches which drain into the San Pedro Valley. It is very rough, with the exception of the northwesterly portion on the top of the ridge. Value \$5,690, or \$35.56 per acre.

Parcel 104, Map 2; lies across Fifield Ridge about 1 mile north of the west arm of Pilarcitos Lake. The northerly portion is heavily brush-covered. The southerly portion, except at the extreme south, is comparatively open across the top of the ridge. Fifield Ridge and the Spring Valley Ridge come together on this parcel. Value \$13,943.30, or \$42.52 per acre.

Parcel 106, Map 2; lies from the crest of Fifield Ridge across the west valley of the Pilarcitos, and corners on the east side of the Montara Mountains. The entire tract is brushy with larger trees in the valley. It is much the same type of land as parcel 104 half a mile north, but it is of a much better grade because of the presence of the lakes. Value \$25,706.25, or \$86.87 per acre.

3234 Parcel 110, Map 3; lies on the east slope of Sawyer Ridge near the crest to Crystal Springs Lake. Covered with brush, and at the lower point with hardwood timber, and is very steep. Value \$103.50, or \$49.28 per acre.

Parcel 122, Map 4; lies on the east slope of Cahill Ridge, from the crest of the ridge to the lake shore, just north of Byrnes' corner. The lower portion is covered with dense chaparral, interspersed with oaks. The upper portion has been forested with cedars. Known as the McNamara piece. Value \$8,537.76, or \$72.67 per acre.

Parcel 124, Map 3; lies on the east slope of the Montara Mountains, just east of Scarpas Peak. The easterly portion is heavily wooded with fir, and is cut by a very deep gulch. The westerly portion is covered with brush and scattering firs. Value \$7,125, or \$43.18 per acre.

Parcel 128, Map 3; the 7.93-acre tract lies amongst rough, steep, brush-covered hills above the head waters of Locks Creek. The ex-

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

treme easterly part of this tract adjoins the Schaberg property. Value \$158.60, or \$20 per acre.

Parcel 128, Map 3; 40-acre tract. Lies in the center of parcel 29, and is crossed by the Ridge Road running from the Grainger place to the Half Moon Bay Road. It is very steep, gulchy, and covered with brush, excepting on the crest of the ridge. Value \$182, or \$4.55 per acre.

Parcel 130, Map 2; lies across Sweeney Ridge, dipping down the east slope to the San Andres Lake. This portion is heavily covered with brush and quite steep. The westerly portion crosses the San Mateo Creek Canyon, and rises in two parts about halfway up Fifield Ridge. The westerly slope of Sweeney Ridge, and the east slope of Fifield Ridge, as well as the top of Sweeney Ridge are heavily covered with brush, with very few open places. The floor of the San Mateo Creek Valley is comparatively open. At the lower part of this parcel is the Davis Tunnel, diversion ditch, and the west portal of the Davis Tunnel. Value \$24,620.70, or \$63.12 per acre.

3235

Parcel 132, Map 4; 340 acres. Lies on the easterly slope of the Sierra Morena Ridge, directly east of the Linehan property. On the upper portion of this tract a number of pines and cedars have been planted. The lower portion is covered with dense brush and scrub oak. Value \$7,200, or \$21.17 per acre.

Parcel 132, Map 4; 160 acres. Lies at the extreme northerly end of the Sierra Morena Ridge on the easterly slope, and is cut by two deep gulches, and except for the portions on the high knolls between the gulches, is heavily overgrown with brush. Several open spaces have been forested with cedar and pine. Value \$9,060, or \$56.62 per acre. I think I have pictures of those pieces.

3236

(The witness indicated on the map where the road runs on parcel 132.)

FORTY-EIGHTH HEARING.

OCTOBER 22, 1915.

Witness: NORWOOD B. SMITH, for Defendant.

DIRECT EXAMINATION BY MR. STEINHART.

Book of photographs Spring Valley lands San Mateo County offered and marked as "Defendant's Exhibit 48 for identification".

3238

Referring to page 14 of this book, the picture that is shown there was taken on the front portion of the Carolan property, showing the general character of the northeasterly portion of that property.

Questioned by Master.

By "front" I mean that portion lying approximately between the easterly edge of the upper plateau, and the most easterly line of the property.

DIRECT EXAMINATION BY MR. STEINHART.

3239 I would say that I had my camera placed in a general direction northeast; possibly almost north. This is the property referred to as the Scarpas or Grainger sale, and all of the foreground and fields, where there are people standing, is the portion sold. The distant hill is Spring Valley land.

Questioned by Master.

That is Ox Hill, and is covered with timber. The portion to the north is Maloney's Peak.

DIRECT EXAMINATION BY MR. STEINHART.

The character of the land over the sky line from the Scarpas-Grainger land is that it is cleared and under cultivation, then it runs into brush-covered land which they are now clearing. It is not very precipitous at the southerly portion, but at the road as you look at this picture, which is really to the left or east, it becomes precipitous.

Questioned by Mr. Greene.

3240 I do not wish to be understood as saying that that photograph shows all of the Grainger land; all of the land in the picture, with the exception of the spur at the top is Grainger land, and that I have been referring to as brushy land with some timber, is Grainger land.

DIRECT EXAMINATION BY MR. STEINHART.

3241 Parcel 24, north of the Grainger land, has a very small part in the southwest corner which would be somewhat similar. Parcel 5-2 in the extreme southwesterly gore is in a measure similar, although it is broken by rugged points. Parcel 60 is wholly different, except a strip which lies right over Maloney's Peak, because it is more heavily covered with brush, more precipitous and rocky in its southerly portion, and cut by gulches much worse than the Scarpas piece. The southeast corner of 124 would be quite similar to the northeast corner of the Grainger piece in that they are both cut by the same gulch, and have similar fir timber. There is not as much good land on 124 as there is on the Scarpas piece. Parcel 29 adjoins the Scarpas piece, but it is practically impossible to compare them, except that 29 is a very large piece lying over numerous gulchy strips of country, whereas the Grainger piece simply straddles the mountain, on the top of which is quite a plateau. On page 35 of Exhibit 48 is a picture taken from Scarpas Peak, which shows the general character of the country, and shows parts of 29 and over almost to 33. This picture on page 35 shows a considerable portion of parcel 29, but the general character of the land as you see it on page 35 is of a very different type from the Scarpas piece. Parcel 29 has a certain value for cattle grazing; some small portions of the crests of the spurs

3242

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

could be plowed, but are so isolated, and the cost of fencing and hauling out the crop would be so expensive that you could hardly farm it.

Parcel 33 has very much the same value as parcel 29, but I consider it better. Its use would be the same, with the exception that there are parts of it that are better adapted to farming.

Parcel 132, Map 4; 165.75 acres. This portion lies on the easterly slope of the Cahill Ridge, from the crest about half way down. The northerly portion is rough and brush-covered, and the southerly portion is open land which is reverting to brush-covered hills. It is crossed by the Half Moon Bay Road, below which a number of cedar trees have been planted. Value \$6,645.75, or \$40.09 per acre. The easterly portion below the Half Moon Bay Road is shown on page 7 of the book of photographs.

Parcel 134, Map 4; three tracts which are adjacent properties and lie on the easterly slope of the Sierra Morena Ridge, from the crest of the ridge halfway down to the lake. The portion nearest the crest of the ridge has been planted to cedars. The lower portion is heavily overgrown with chaparral, and at the northerly part is very rough, steep and gulchy. Value \$3,642, or \$18.12 per acre.

3243

Parcel 138, Map 3. The 160 acre portion is the southeast quarter of Section 10, Township 5 South, Range 5 West, M. D. B. & M., and lies directly east of the parcel sold by Knopf to Faustino, and north-east of the parcel sold by the McDermott Estate to Ross. Through the center of this parcel, running north and south, is a high, barren razorback ridge, known as Albrecht Ridge. The west slope of this ridge is steep, rough and bare, except for scrubby brush, and is land of the same grade as the McDermott land lying to the southwest. The easterly slope of the ridge is equally steep and rough, and has a few trees upon it. Value \$1,249, or \$7.81 per acre. Knopf-Faustino sale made on May 16, 1912, 160 acres at \$11.62 per acre.

Questioned by Master.

The 160 acre tract is the southwest quarter of Section 10 of the same township and range, and lies directly west of the portion of parcel 138 which has just been described. I have just described the southeast quarter of Section 10.

3244

Questioned by Mr. McCutchen.

The Faustino land lies due west. It is the next quarter section. The price was \$11.62 per acre.

DIRECT EXAMINATION BY MR. STEINHART.

The Faustino land is a little, but not very much better, than that in parcel 138 which I have just described. It has some valley land in it which could be farmed. The purchase price was \$11.62 per acre, and the price on 138 which I have given is \$7.81 per acre. There are probably two elements of difference. One is the fact that this quarter

3245 section is better than the other quarter section, and the other is that Faustino owned a large ranch in there upon which he ran stock, and he needed more land, which I presume would account for any additional amount he might have paid for that particular piece.

3246 The McDermott and Ross piece is the northwest quarter of Section 15, Township 5 South, Range 5 West, and lies directly south of the Faustino quarter. That was sold July 28, 1911, for \$5 an acre, to George C. Ross, of Redwood City, and it was re-sold in 1913 to Faustino for \$15.62 per acre. The McDermott land is a better grade than that in parcel 138 which I have described, because of the small amount of valley land that there is in it.

3247 In regard to the Faustino purchase; there is a road which leads to Half Moon Bay Road due south of the property we are discussing, runs through Faustino's land, through the McDermott piece, and into the Knopf piece, which is now part of the Faustino ranch. Faustino bought the Knopf piece and had his cattle up there.

Questioned by Mr. McCutchen.

I know that of my own knowledge, and I saw the cattle before the purchase was made from Ross.

DIRECT EXAMINATION BY MR. STEINHART.

3248 The country through there is unfenced, except in portions; the lower portion of the Faustino ranch is partly fenced; the Knopf piece was not fenced along its southerly line. Unfortunately I have not the date on which I went in on that land and saw the cattle trespassing on the other land, but it was prior to the sale to Ross. At the time I visited that land there was no fence between the Knopf piece and the McDermott piece. The road was open into the McDermott piece, and there was a trail beyond. It was an open road, and could not be closed without the purchase by Faustino of the McDermott piece. Prior to the purchase of the McDermott and Knopf pieces, Faustino owned quite a considerable amount of land in that vicinity.

3249 Those lands were located south, southwest and southeast of the McDermott and Knopf pieces, and were contiguous to the McDermott piece upon the north. The Knopf piece was directly north of the McDermott piece, and the road was also directly north. That road led from the Half Moon Bay Road into the McDermott piece, through the Faustino piece, and into the Knopf piece. The McDermott piece is between the Knopf piece and the land previously owned by Faustino. The Knopf piece was unfenced on its south line, which line is contiguous to the McDermott piece. Those facts would have a very decided effect upon the price which was paid by Faustino for that land. It would be worth more to Faustino than to anyone else.

3250

Parcel 138, Map 3; this portion comprises the northwest quarter of Section 10, Township 5 South, Range 4 West, and lies between the

lower part of parcel 5-2, near the Stone Dam, and the 160 acres sold by Knopf to Faustino. In the northwest corner is the point of the most southerly spur of Ox Hill culminating in a huge rock, from which the country drops off most precipitously east, south and southwest, and is cut by deep gulches, the walls of which are covered with low, scrubby brush, with the exception of the immediate foreground to the south, which is sparsely timbered with groups of fir. Value \$2,280, or \$14.25 per acre.

Parcel 144, Map 2; is the most northerly tract of the Spring Valley land, at the head of the San Andres watershed. The easterly portion contains a small valley; the balance is steep hillside heavily covered with chaparral. Value \$17,118, or \$112.30 per acre. There is a piece of 58 acres, or more, about a mile west of the state highway, adjoining two parcels owned by Easton, and one by Mills, and also adjoining other land owned by the Baden Company cornering against part of the Jersey Farm land. This 58 acres is owned by the Baden Co., and was offered for sale, the date of the last letter being March 21, 1914.

3251

The following letter was read into the record:

"The Baden Company, 1450 Filbert Street."

"San Francisco, March 21, 1914."

"The University Realty Co., Palo Alto:

"Gentlemen: Replying to your favor of the 19th inst. (File '1663), we are willing to sell the 58.96 acres of the northwest portion 'of Baden Farm, a part of the Buri Buri Rancho, and adjoining the 'property of Mrs. Easton, for the sum of \$7,000 cash, 30 days allowed 'for search of title. This offer remains open for acceptance for ten 'days from date. We are, of course, willing to pay you 5% commission in case a sale is effected.

Yours truly,

Baden Company,

E. C. Burr, Pres."

We tried very hard to sell it, without any results. That figures \$118.81 an acre.

3252

Parcel 146, Map 2; lies on the west slope of Fifield Ridge, and corners in the canyon which forms the east arm of the Pilarcitos Lake. The hill is steep and brush-covered. Value \$556.15, or \$35 per acre.

Parcel 153, Map 2; lies across Sawyer Ridge, San Mateo Creek Canyon, and Fifield Ridge. That portion on the easterly slope of Sawyer Ridge is very rough, and covered with chaparral, excepting the extreme lower portion, where there are oak and madrone; the brush-covered hills are exceedingly rough and inaccessible. Along the crest of Sawyer Ridge it is mostly open, and has been cleared, but is fast reverting to brush-covered land. It is very exposed to the wind.

3253 The west slope of Sawyer Ridge is comparatively free from brush, but is cut by deep gulches. The floor of San Mateo Creek Canyon is narrow but to a great extent free from brush, with some small flats. The east slope of Fifield Ridge is very heavily overgrown with chaparral, and is quite precipitous. The crest of Fifield Ridge is comparatively open. In the extreme southerly portion, near the San Mateo Creek Dam No. 1, there is quite a growth of oaks and firs. Value \$58,374.20, or \$54.75 per acre. That is known as the Fifield Ranch. The picture on page 24 shows the portion of parcel 153 which I have just described. All of the foreground of this picture is 153. The photograph on page 25 shows in the third panel the west slope of Sawyer Ridge and in the immediate foreground the crest and east slope of Fifield Ridge.

Questioned by Master.

3254 The road going up the canyon, and out on the top of the hill, is on the Fifield Ranch. That is practically the north part of the Fifield Ranch, and that road is the Millbrae and Pilarcitos road. The buildings in the middle panel are near the Davis Tunnel.

DIRECT EXAMINATION BY MR. STEINHART.

This picture covers more than the Fifield Ridge and the Fifield Ranch. The left side of the picture goes beyond the Fifield Ridge, and is in parcel 104. Part of parcel 130 is shown in that picture in the middle panel.

Parcel 164, Map 5; lies on westerly slope of Buri Buri Ridge, from the crest of the ridge to the Pulgas grant line, and extends from just south of the West Union, or Whipple Road, northerly, almost to the upper Crystal Springs Lake. About one-third of the entire acreage is rolling field with scattering oaks. About one-eighth of the acreage is a high, rough, barren, yellow hill, bare in spots, and otherwise covered with a low, scrubby chaparral. Value \$32,979.72, or \$76.84 per acre.

Parcel 182, Map 3; lies between the crest of Sawyer Ridge and parcel 94; more or less brushy at the upper portion, and comparatively clear at the lower portion, with scattering oaks. Value \$4,125; or \$119.73 per acre.

3255 Parcel 191, Map 4; known as Claffy Tract, and lies on east slope of the Sierra Morena Ridge, from the Ridge Road at the top of the mountains, approximately to the Canada Road. Except for that portion immediately adjoining the Ridge Road, the land is very steep, brushy and wind-swept, and about halfway down is cut by a gulch. The lower portion near the Canada Road is open rolling land, with scattering oaks. Value \$16,455.70, or \$36.63 per acre.

Parcel 194, Map 5; lies from the Pulgas grant line to the crest of the Sierra Morena Ridge, and is known as the Spring Tract, and sometimes as the Dingee Tract. The lower portion is a large, com-

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

paratively low knoll, lying between the grant line and the Canada Road, and is densely wooded with hardwood timber. From the Canada Road to the crest of the ridge it is very steep, and mostly covered with low chaparral, excepting along the top, where there are groves of redwood. The southwesterly portion dips into the West Union watershed. Value \$44,288.70, or \$41.78 per acre.

Parcel 195, Map 5; Cevaseo Tract; runs from the crest of the ridge across the West Union watershed to the Pulgas grant line at the junction of the Canada and West Union, or Whipple roads. A much better grade of land than parcel 194. The portion adjoining the Canada is comparatively flat, rolling back over a heavily wooded hill, the westerly slope of which is densely wooded with oak, madrone and chaparral. The east slope of the Sierra Morena Ridge to the West Union Canyon is very densely wooded with chaparral, brush and small trees. There are scattering groups of redwood near the upper part, along the crest of the ridge, about 15 acres of which are comparatively flat. Value \$30,690.50, or \$60.97 per acre.

3256

Parcel 196, Map 2; lies across the top and down the east side of the ridge which culminates in Fifiel Ridge at the extreme northerly headwaters of San Mateo Creek. The ridge portion is comparatively open and rolling, but that portion toward the canyon is heavily covered with brush. Value \$3,137.50, or \$39.22 per acre.

Parcel 199, Map 4; the 3 portions lie along the crest of the ridge, and were cleared land, but are fast becoming overgrown with brush. Value \$1,231.10, or \$24.36 per acre.

Parcel 202, Map 5; this portion contains 92.73 acres, and lies at the junction of the West Union and Canada Roads, from near the crest of the Pulgas Ridge to the Pulgas grant line. The back portion is high and rocky, and adjoins the land purchased by Finkler from Marchand; the front portion is flat, and the entire tract is very exposed to the winds. Value \$4,321.21, or \$46.60 per acre. The Finkler and Marchand sale was made February 14, 1912. The price was \$76.33 per acre.

Questioned by Mr. McCutchen.

Mr. Finkler paid \$7,000 to Marchand, and \$525 to Eisner, Marchand being the owner. It was an ordinary sale. I have no photograph of that that I know of.

3257

Counsel for Defendants stated the following as the circumstances under which the \$500 additional was paid: Marchand was having some trouble with water rights, and he put it into the name of Eisner, and when it came to selling it, Eisner insisted upon the \$500 being paid to himself, which Finkler paid, so Eisner got \$500, and Marchand got \$7,000.

Finkler owns a large tract to the south and southeast, and the entrance to the land was off a side road which crossed a little creek after leaving the West Union, or Whipple road. This Marchand land

is bordered for the most part by the West Union Road, and was between the main road and Finkler.

3258 The portion of 202, which has just been described, is exposed to very raw winds. The Marchand portion of the Finkler property is an entirely different type of land. It is hardly comparable at all. The Finkler land would be much more readily salable. On page 2 is a picture showing a portion of 202, and that picture shows the circle at
3259 the extreme left of the first panel, which is on the Spring piece, parcel 194. The picture shows in the central panel the major portion of this 92 acre portion.

Questioned by Master.

Parcel 212 is the Rudolph piece, and commences at about the left line of the righthand third of the first panel; it extends into the central panel perhaps a quarter of the distance, and includes the line of trees which appears to run up a gulch near the sky-line. The parcel 203 is the piece in the third panel outlined with cyprus trees, and it extends up into a narrowing gore to the crest of the ridge at the back, where you come to 202 again. In the foreground are the pieces opposite the Canada Road. The parcel in the first panel showing a rugged hill is 164; the field at the top of the picture is also in 164.
3260 That is the hill referred to as the yellow hill.

DIRECT EXAMINATION BY MR. STEINHART.

I know the property which Mr. Holberton purchased from the Allis-Chalmers people very well. There may be one or two small parts which could be retailed at \$500 an acre, or possibly a little more. Those parcels would be very close to where Holberton lives, which is between a quarter and a half a mile west of the Redwood City line.

3261 The Portland Cement Co. sale was of about 281 acres in the early part of 1914 for less than \$250 an acre, for land adjoining the Holberton land on the south. It adjoins the line of Redwood City on the west. These lands are not contiguous to the Spring Valley land to the west. There are portions which could be transplanted into the Canada Valley of the Spring Valley lands, and you would not recognize any difference, but the conditions such as neighborhood, environment, accessibility, climate, water conditions, conveniences, trend of development, future possibilities, which go to make value, are wholly different. Neighborhood advantage is of considerable advantage, because it shows from the character of people and dwellings generally what can be expected as the neighbors of the people purchasing in these tracts. The fact that this piece adjoins Redwood City on the west line increases its value very materially. It is a very much better
3262 piece of property than Holberton's property, and has not the same extent of rough land that the Holberton property has.

Parcel 202, Map 5; this portion contains 153.16 acres, and lies on the westerly slope of the Pulgas Ridge, from near the crest of the

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

ridge to the Pulgas grant line. Mostly hilly, rocky and wind-swept, excepting in the southerly portion, which is comparatively flat. Value \$10,440.90, or \$68.17 per acre.

I do not know whether this Portland Cement sale was a cash sale or not of my own knowledge. It was put up to me as a term proposition, selling it on contract.

Parcel 203, Map 5; lies along the west slope of Pulgas Ridge, from near the crest of the ridge to the grant line. The front portion, containing a small house, has been partly forested, but badly neglected. The back portion is rocky and barren, the entire tract being wind-swept. Value \$2,503.95, or \$76.95 per acre.

Parcel 205, Map 5; extends from the crest of the Sierra Morena Ridge, through the West Union watershed to the Canada Road. The front portion near the Canada Road is steep, bare, and unattractive, being an abandoned vineyard. The middle portion near the West Union Creek is comparatively flat and open, continuing into groves of redwoods, and up the mountains, which have a considerable number of second growth redwoods. Value \$25,290, or \$80.46 per acre.

Parcel 208, Map 5; extends from the Canada Road to the center of the West Union Creek. The front portion is rolling land, with a few scattering white oaks. The back portion is quite precipitous, and as the West Union Creek is approached, becomes heavily wooded. Value \$11,775, or \$75.48 per acre. As one goes south from parcels 211 and 208, you get into what we call the Canada District of the Woodside Country, and it is cut into smaller holdings as a rule, and built up, and even before the Spring Valley Water Co. acquired it, the prices were higher in the Canada District of Woodside.

3263

Parcel 210, Map 5; extends from the crest of the Sierra Morena Ridge down through the West Union watershed to the Canada Road. The upper portion upon the ridge is very rough and gulchy, and is covered with scattered second growth redwood. The middle portion between the Crystal Springs watershed and the mountains is very precipitous and rough. The front portion is barren and unattractive. Known as the Sealmonini place. Value \$8,782.50, or \$41.04 per acre. Generally speaking, the smaller the holding, the higher the price per acre.

Parcel 211, Map 5; lies on the easterly slope of the Sierra Morena, from the crest of the mountain through the West Union watershed to the Canada Road. The front portion rises from the Canada Road; is well wooded with fir, oak, madrone and redwood. The middle portion through which the West Union flows is heavily wooded, and not very steep. The balance is steep mountainside, covered with brush and hardwood timber, and some second growth redwood. Known as the Knopf piece. Value \$27,348, or \$79.02 per acre.

3264

Parcel 212, Map 5; Rudolph piece; lies near the junction of the West Union and the Canada Road, is very rocky, wind-swept and barren, excepting for some scrub oak trees. Value \$511.50, or \$50 per acre.

3265 Parcel 218, Map 2; lies along the west slope of Buri Buri Ridge from the Ridge Road to the San Andres Lake, and adjoins parcel 17 on the south. The southeasterly portion has been forested with cedar trees. The balance is barren, culminating in a high knoll, which juts out into San Andres Lake, all being much exposed to the high winds. Value \$6,200, or \$271.45 per acre. The Oscar Beatty property, formerly owned by Connolly, 100 acres, adjoins parcel 208. The front portion of it is comparable with 208, although in my judgment, the Connolly piece is very much finer than 208. Mr. Connolly told me that he got \$20,000 for the tract. I do not know, of my own knowledge, whether that was a cash sale or not.

3266 I made separate valuations for a part of the West Union. They are all on Map 5: Parcel 210, 129.90 acres, \$4,668.70, or \$35.93 per acre. Parcel 194, 285.10 acres, \$5,501, or \$19.29 per acre. Parcel 195, 353.70 acres, \$17,322.50, or \$48.97 per acre. Parcel 205, 240.20 acres, \$21,526, or \$89.61 per acre. Parcel 211, 265.52 acres, \$20,069, or \$75.58 per acre. Parcel 208, 47.83 acres, \$4,269, or \$89.27 per acre. The total acreage of the West Union watershed is 1,322.25 acres; the total value is \$73,356.80, or an average value of \$55.48 per acre.

3267 Questioned by Master.

The West Union watershed drains into the Canada District of Woodside, southerly, and does not drain into the Crystal Springs Lake.

DIRECT EXAMINATION BY MR. STEINHART.

3268 Page 1 of photographs shows small portion of parcel 46 on Map 4; the picture shows the very high wind, or the effect of the very high wind. This particular portion is along the knoll which culminates in what has been referred to as the island.

Page 3, portion parcel 48, Map 4; shows character of trees in the general districts between northerly part of parcel 73, and the Husing property, or the southerly part of parcel 50. Taken in the southerly portion of parcel 48, with the camera pointed about southwest.

Questioned by Mr. McCutchen.

I took all of these photographs.

DIRECT EXAMINATION BY MR. STEINHART.

3269 Page 4 shows again the character of the trees, and also shows the open fields in the southerly portion of parcel 48. That is looking almost due north. Page 5; back portion of Phelps land, shows how strong the winds are because of the bent trees; gulch in middle distance terminates near the grant line, where there is a group of euca-

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

lyptus. Evidently an old house site; the hill in the center of the first panel is sometimes called Cemetery Hill, and the cottage is shown at the left of the hill. Page 6; a group of trees on parcel 132 in the northeast corner, and very close to the common corner of 132, 45 and 46; just back of the first tree which is so badly bent by the wind is the quarter section corner of Section 18. The wind condition has a great deal to do with the salability of the land. The condition east of the Buri Buri Ridge in this district is climatically better than the condition west thereof.

The climatic condition in regard to the Canada and Woodside, when you get into the West Union watershed below there, is better than this. Page 7; taken from the lower portion of that part of 132 which is cut by the Half Moon Bay Road. In the immediate foreground of the central panel, you can see the Canada Road.

3270

Questioned by Master.

The telegraph poles whose tops are in the front of the picture are immediately above the Half Moon Bay Road. The group of trees which is seen in the lower righthand corner of the first panel, is the same group shown on page 6. The left panel foreground is largely parcel 46. Parcel 48 lies across the lake; 45 is in the central part of the first and second panels, and parcel 132, containing 160 acres, is in the second and third panels. The cyprus, shown at the right, is in the 160 acre parcel of 132. The camera was pointed about south. The point that projects into Crystal Springs Reservoir in the shape of a wooded knoll is the southerly part of the shore line of parcel 50. It is what is shown on the map as an island. Page 8 shows upper portion of the Sierra Morena Ridge, and was taken at the back part of parcel 211.

3271

DIRECT EXAMINATION BY MR. STEINHART.

That photograph shows the bulk of 211. It was taken from the top of a redwood tree, and takes in a very wide area. Page 9; a group of oak bent by the wind on parcel 37. This picture was taken near the central portion of 37, above the upper Crystal Springs Dam.

DIRECT EXAMINATION BY MR. SEARLS.

3272

Page 10; taken from parcel 38, just north of 68, Map 3, and shows parcel 36 square in the center of the picture, and parcel 54 to the right. Practically the entire picture, including the heavily wooded gulch at the right, is in parcel 36. The Crystal Springs Dam is at the extreme left. Page 11; a group of wind-swept oaks and brush near the central portion of parcel 37, just above the Half Moon Bay Road. Page 12; this group taken from the most southerly bluff of parcel 90, overlooking the Crystal Springs Dam. The first panel in the foreground shows the wooded hill on the north slope of parcel 36. Across the lake in the central panel is parcels 68, 38 and Sherwood Point, which is in parcel 92. The rough hill in the third panel

is the east slope of the Cahill Ridge, all included in parcel 39. Page 14; a view of the Carolan place. Page 15; shows west slope of the Buri Buri Ridge, including parcels 73 and 90.

Questioned by Master.

3273 73 is bordered by the line of trees to the left of the picture, and on the east by the line of trees which runs down and is lost in the dense growth of eucalyptus in the center of the second panel. The second panel commences to the north of the grove. That in the foreground is all the east slope of Sawyer Ridge on parcel 39. The road at the extreme right of the panel is the one that leads into Sherwood Camp, and continues on to the top of Sawyer Ridge. The various growths of eucalyptus stand on the Carolan property. Page 16: The left portion of this group is parcel 68, approximately 196 acres, Map 4. The central portion, cleared land, partly forested, is the McNamara tract, or 122. To the right in the foreground is 47. In the distance in the right the heavily wooded portion is 68. The canyon in the left-hand panel is most of it 68. The road which crosses this photograph passes through the Byrnes tract, and then parcel 132, and ultimately into parcel 168.

DIRECT EXAMINATION BY MR. SEARLS.

3274 Page 17; taken from parcel 47, looking directly up the north line of 122, and the south line of 68. At the extreme left on the top of the mountain is 68, containing 196 odd acres.

Page 18; shows the general character of the east slope of Sawyer Ridge as seen from the northerly part of parcel 73. The road which crosses the center of the left panel is the one which goes to the top of Sawyer Ridge. All of that is in parcel 39, except the sky-line at the extreme left.

Page 19; the lake is the west arm of the Crystal Springs Reservoir. The extreme right bank is the easterly slope of Cahill Ridge in parcel 39; the left bank is the west slope of Sawyer Ridge, extending to Sherwood Point. At the top, and in various parts of the west slope of Sawyer Ridge, the photograph appears to indicate very low brush, whereas the brush is from 5 to 15 feet high, and exceedingly dense.

Page 20: These two photographs show the west slope of Sawyer Ridge, and east slope of Cahill Ridge, a short distance north of the photograph shown on page 19.

Page 21: The San Mateo Creek Dam No. 1 reservoir, which is a portion of parcel 2, Map 3.

3275 Page 22; shows character of the brush on the top and east slope of Sawyer Ridge, just west and south of the San Andres dam. This is south of where the road turned around a series of sharp points, approximately three-quarters of a mile.

Questioned by Master.

This is about three-quarters of a mile south or southeast of the point where we saw the five deer going up the road. It was taken in the most southerly 160 acres of parcel 163. The land that we saw in that last picture on the other side, and the bare ridge and the west slope of Buri Buri Ridge, is the Easton & Mills land, excepting at the right. The line of parcel 73 is indicated by a line of trees.

Page 23; shows character of east slope of Sweeney Ridge north of Millbrae-Pilarcitos road. Taken in the northerly 40 of parcel 153, overlooking parcel 130 and 12, which juts out into San Andres Lake. The camera was pointed about west of north.

3276

Page 26; shows parcel 5-2, immediately adjoining and southwest of Pilarcitos Dam; a portion of the dam is in the lower right hand corner of the picture.

Page 27; shows the character of the west slope of Cahill Ridge, between the Pilarcitos Dam and the Stone Dam.

DIRECT EXAMINATION BY MR. SEARLS.

This is on parcel 5-2, and was taken very nearly midway between the two dams.

Page 28; shows east slope of Montara Mountains, opposite the point which is illustrated on page 27. The immediate foreground is parcel 5-2. The Scarpas Peak is buried in the fog just to the left of the center of the picture. Parcel 124 is partly shown at the right of the picture. Parcel 3 is in the gulch that lies almost below Scarpas Peak.

Page 29; taken from the lower point of Fifield Ridge, showing the east arm of Pilarcitos Lake, and looking directly down Cahill Ridge, at the right of the Montara Mountains, and the lower point of Sweeney Ridge. There are a number of parcels shown there; 5-2 is on the east slope of the Montara Mountains; 5-1 is where the camera was standing. San Mateo Creek Canyon is in the left foreground of parcel 39.

3277

Page 30; shows Pilarcitos Lake, and the lower point of the Spring Valley Ridge. The portion of the ridge which is in the foreground is a part of 5-2. In the distance at the left parcel 106 crosses. At the extreme right is 5-1, a portion of 2, and also of 5.

Page 31 is the Scarpas land. Page 32; southeasterly slope from parcel 60 towards Stone Dam. Page 33; shows character of the country south and southeast of Ox Hill. Parcel 138 is in the photograph, but is so hazy that I doubt whether it is wise to point it out.

Page 34; taken from parcel 124, looking southeast at parcels 6 and 60. The immediate foreground is the timbered portion of 124; the middle distance is at the left, parcel 6, and at the right parcel 60, showing what I have referred to as Ox Hill at the extreme right.

Page 35; is a district of parcel 29, and has already been referred to. Page 36; the crest of the Montara Mountains, showing the Spring

3278 Valley Ridge, the Fifield Ridge, and the Sawyer Ridge in the middle distance.

Questioned by Master.

This is taken at the most southwesterly corner of 5-2, Map 2, approximately.

DIRECT EXAMINATION BY MR. STEINHART.

The camera is pointed northeast, and is very close to the southeasterly corner of 9.

Page 37; taken from approximately the same point looking northwesterly, and shows the general character of the crest of the Montara Mountains, with Peak Mountain in the left distance. Taken on parcel 5-2, overlooking at the left parcels 9, 34, 28, 101 and 8. The southerly boundary line of 28 is seen at the extreme left as a fence cutting across the mountain.

Page 38; shows parcel 8 looking southeast toward parcel 101. Page 39; taken from parcel 8, looking toward Peak Mountain in parcel 101, including portions of 8 and 101. Page 40; taken from parcel 102, looking towards Peak Mountain, with a portion of parcel 43 in the foreground.

Page 41; From parcel 196, looking across 102, toward Peak Mountain, showing in the distance parcels 8 and 101.

3279 Page 42: The northerly boundary line of the Spring Valley lands, between parcel 43 and the Sneath property, which is shown as cleared land in the photograph. Taken from a point on Sweeney Ridge, just north of the boundary line, and in parcel 13.

Book of photographs Spring Valley lands received as "Defendants Exhibit 48."

3280

DIRECT EXAMINATION BY MR. STEINHART.

Phelps property; 969.94 acres; lies from the crest of the Pulgas Ridge to the Pulgas grant line, and drains into Crystal Springs Lake. The ridge is used as hay land, but is very exposed to the winds. There is a deep gulch cutting the valley almost its entire depth, the walls of which are very steep, and covered with scrub brush. The portion lying near the grant line is indented with swales, separated by knolls, and is wooded with scattered large oaks. Valuation \$67,633.91, or \$69.73 per acre.

3281

I have segregated my valuations so as to be able to give my average value per acre for the land lying west of a line drawn northwesterly and southeasterly, approximately through the center of San Andres Creek and Crystal Springs Lake. Excluding the Phelps tract, the land lying to the east of such a line totals about 3,912.09 acres. I valued that as of the date of the appraisal at \$585,835.47, or \$149.75 per acre. Including the Phelps tract, the acreage is 4,882.03, and the value is \$653,469.38, or \$133.85 per acre. The

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

land lying westerly of such a line, including the West Union watershed lands, totals 18,099.97 acres, which I have valued at \$1,021,389.68, or \$56.43 per acre. Excluding the West Union the acreage is 16,777.72, at \$56.50 per acre; total \$948,032.88.

Questioned by Master.

These acreages east and west of this line were given to me by the City Attorney's office, and I checked them from the maps. That includes the acreage in each case covered by the lakes. Referring to Map 2, San Andres Lake, I took the boundaries of the parcel which met in the middle of the lake for some of the distance. In parcel 13 I ran the line up the east arm of the San Andres. By scaling it I got an approximation. In the Crystal Springs Reservoir I followed the tract lines there.

3282

DIRECT EXAMINATION BY MR. STEINHART.

It is my opinion that you could not sell the lands west of the line as a real estate proposition as a whole for \$100 an acre as of December 31, 1913. The portion to the east could not be disposed of as a whole at \$255 an acre.

Parcel 90, Map 3; 209.16 acres. Value \$25,513.33, or \$121.98 per acre. That is the portion to the southeast of the more or less jagged line running in that portion of parcel 90.

Questioned by Master.

3283

I took the acreage, 209.16, because it was given to me, and I appraised that amount of land in that district.

(Counsel for Plaintiff advised that those figures were gotten at by agreement, and that the line spoken of is correct as showing the division of the drainage area.)

DIRECT EXAMINATION BY MR. STEINHART.

A portion of parcel 36, Map 3; a portion of parcel 37, Map 4; and a portion of parcel 54, Map 4. The three portions total 85.58 acres, valued at \$20,528.35, or \$239.87 per acre. I think the City Attorney's Office gave me that acreage.

3284

Parcel 168, Map 9; 59.783 acres; lies immediately south of South San Francisco, and is mostly marsh land. Bordered on the west by the Southern Pacific right of way, and was formerly cut by the Bay Shore County Road, which has now been fenced off. Acreage property northeast of San Francisco is considerably more valuable for factory sites than south or southeast. Value \$20,470.20, or \$342.40 per acre. I know of a sale made to the Prestolite Co., by the South San Francisco Realty Co. The land which the Prestolite Co. had is in a very different district. It lies between the highway and the railroad. It is a portion of the land which the development company controls; it is not an isolated parcel by a separate owner, and it is higher land, all but one part, which happened to be very advantageous for the particular purposes of the Prestolite people.

This land is cut by the railroad and the county road, but it is in the heart of the huge tract which is controlled by the South San Francisco Land Co.

Questioned by Master.

3285 When I said that this highway is now closed up, I referred to the early part of 1915. It was open in December, 1913.

DIRECT EXAMINATION BY MR. STEINHART.

Parcel 127, Map 8; 8.847 acres; comprises the lower portion of the Baden Crossing lot on the San Andres pipe line, between the S. P. right of way on the west, and the old county road on the east. It is very sandy, and is cut in the lower portion by a small brook, which overflows in the winter, and is usually dry in the summer. Similar land just north of this location is used for truck gardening. Value \$5,750.50, or \$650 per acre.

Parcels 214, 215 and 216, Map 8; total acreage 3.84; lying between the S. P. right of way, and the old county road immediately north of parcel 127. Low and very sandy. Value \$2,496, or \$650 per acre.

Parcel 32, Map 9; .234 of an acre. Schoolhouse Homestead Association lot, fronting on Washington and Hill Streets, Colma; value \$1,800.

Parcel 186, Map 9; .245 of an acre: Castle Tract lot, at the corner of Price Street and Mission Road, fronting about 129 feet on the county road, and 104.4 feet on Price Street, and about 70.1 feet at the northerly line; value \$1500.

Parcel 192, Map 9; .135 of an acre; is a lot 40 by 135 and 160, at the corner of San Bruno Avenue and San Francisco Avenue, Visitacion. It is crossed by the Crystal Springs pipe. Value \$125.

3286 Parcel 35, Map 8: A number of lots in the Abbey Homestead, on the San Andres pipe line. Lot 3, Block 32, on San Bruno Ave., about 100 by 100.4; value \$400. Lot 3, Block 156; 100 by 100 feet, \$175. Lot 8, Block 171; 100 by 100 ft., \$175. A lot 30 by 100, east of and adjoining Lot 8: \$52.50. A lot 70 by 100, in Block 171, at the corner of Linden and Lake Sts.; \$122.50. Lot 5, Block 177, 100 by 100 ft., \$175. Lot 2, Block 177, 100 by 100 ft., \$175. Lot 8, Block 176, 100 by 100 ft., \$250. Lot 2, Block 185, 100 by 100 ft., \$300. Total valuation, \$1,825.

Parcel 200, Map 8; Diamond Tract lots. A strip 14 ft. by 397.32 ft.; value \$175.

Parcel 197, Map 9: .19 of an acre; a 25 ft. strip north of the Millbrae pump lot, about 320 ft. long, lying between the S. P. right of way, and the United R. R. right of way; \$500 per acre, or \$95 for the strip.

Parcel 133, Map 9; 51.71 acres, Millbrae reservoir lot. Lies westerly from the state highway, is rolling field, and very much

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

exposed to the wind. Value \$28,440.50, or \$550 per acre. I have property for sale in that vicinity. I had a parcel of land north of that for sale, almost immediately adjoining it. Chesley Bush owns a little strip in between, and he wrote me, under date of July 25, 1915, as follows: "University Realty Co., Palo Alto, California. "Gentlemen: Yours of the 24th inst. to hand. In reply will state, "that I am not at all anxious to sell the Millbrae property you mention, but I would be interested to discuss the matter on any proposition above \$500 per acre. Very truly yours, Chesley Bush, M. D."

(The letter was stricken out.)

3287

Parcel 131, Map 9; 15.36 acres; Millbrae Pump Works. Lies between the state highway and the S. P. and the United R. R. electric lines. Value \$10,365.30, or \$675 per acre.

Parcels 24 and 193, Map 9; total acreage 146.251. Silva Tract at Millbrae. Lies along the westerly line of the state highway. The front third is flat, but is cut by a deep gulch; the remainder is rolling, and runs to top of Buri Buri Ridge along the easterly slope. The rear portion is cut by very deep gulches, in which grow wind-swept oaks. Value \$55,893.75, or \$382.177 per acre.

Parcel 95, Map 9; 44.67 acres; Belmont Pump lot; lies along the westerly line of the state highway, just south of the town of Belmont; quite steep, rolling back to the high land in the rear, and overlooks the marshes which cut in at that point very close to the highway. Value \$16,751, or \$375 per acre.

3288

Parcel 158, Map 9; 33.825 acres. The appraisal for this was made after being told that the property had been divided. When I made the original appraisal, I appraised the entire tract, and divided it in half on the understanding that the Spring Valley owned an undivided half interest in this 60 odd acres; after the case was started, I was informed that they had taken the northerly half of the tract, so I went over the acreages of the land, and rearranged the appraisal to fit the northerly half. The southeasterly portion is low, being almost marsh land; the northerly portion runs up on to a high hill, on which are scattering oaks. Value \$10,456.25, or \$309.12 per acre.

Questioned by Master.

This is east of the track, and the hill at that point is, I suppose, 55 or 60 feet high. It is a little knoll there in the marsh.

DIRECT EXAMINATION BY MR. STEINHART.

Parcel 206, Map 9; San Carlos Park lot; a very small lot, about 20 by 30 feet in the extreme northerly portion of San Carlos Park. Value \$25.

Questioned by Mr. Greene.

When I first appraised parcel 158, it was my understanding that the water company owned an undivided half interest in the entire tract, and therefore I graded the entire tract.

3289

Questioned by Master.

I took for the northerly part of the prior parcel 33.825 as the acreage. (Counsel for Plaintiff stated that that agreed with what they had taken.)

DIRECT EXAMINATION BY MR. STEINHART.

Parcel 157, Map 7; Ravenswood marsh lands; 1328.22 acres; all marsh land, and badly cut by sloughs. Very springy, excepting in a few places. When walked upon it gives under each step. Value \$24,766.98, or \$18.65 per acre.

Parcel 156, Map 7; 285.95 acres; all marsh land; very springy, except along the high land. Lies in the vicinity of the Dumbarton cut-off, and southerly past Cooley's land to parcel 155. Value \$7,169.07, or \$25.07 per acre.

Parcel 155, Map 7; 191.28 acres; comprises the lower southeast corner of San Mateo County, and lies north of San Francisquito Creek, and east of the marsh land belonging to Peter Faber. For the most part springy marsh. Value \$3,347.40, or \$17.50 per acre.

Parcel 154, Map 7; 40.85 acres; comprises the Frisbie land, and is high land, with the exception of about 10 or 11 acres, which are marshy. The Ravenswood Pump Works are located on this parcel. Value \$6,469, or \$158.36 per acre.

3289½ Parcel 180, Map 8; 4.39 acres; a strip of about 132 feet, through Blocks 1, 2, 14 and 15 City Extension Homestead, on the Baden-Merced Branch of the San Andres pipe line. Used for truck garden. Value \$4,390, or \$1,000 per acre. All of this right of way land has been valued according to the value of the land, and not as a right of way necessarily.

3290 Parcel 181, Map 8; 7 acres; a portion of the Baden-Merced pipe line, adjoining parcel 180 on the south, continuing southerly through the City Extension Homestead, the Masonic Cemetery, and the lower portion of the Odd Fellows cemetery. Value \$7,000, or \$1,000 per acre.

Parcel 160-69, Map 8; 4.41 acres. 3.94 acres of this tract lie within the Cypress Lawn Cemetery. The balance is a strip extending to the old county road. Value \$4,410, or \$1,000 per acre.

3291 Parcels 171, 172, 173, 174, 178 and 184, Map 8; a total acreage of 5.40 acres; comprise a portion of the Baden-Merced branch of the San Andres pipe line, and are used at the present time for vegetable gardens. Parcels 173, 174, 178 and 184 are through the Brooks property. Parcel 171 is through the Hamlin property. Parcel 172 is through the Arata property. Value \$3,246, or \$600 per acre.

Parcel 176, Map 8; 9.76 acres; a continuation of the Baden-Merced branch of San Andres pipe line, and passes through the lands of Powell, Flood, and Mackay. At present used as a vegetable garden. Value \$5,856, or \$600 per acre.

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

Parcel 170, Map 8; 3.15 acres. The continuation of the Baden-Merced right of way, passing through the land of the Baden Co. Now used as a chicken ranch. Value \$1,732.50, or \$550 per acre.

Parcel 177, Map 8; .08 acre. A triangular lot on the county road near Baden, 100 feet on the old county road, 122.32 feet along the Baden-Merced right of way, and 70.45 feet at the other side. Value \$44, or \$550 per acre.

Parcel 152, Map 8; .62 acres. Continuation of the Baden-Merced pipe line from Burnett tract, just north of the \$70 lot homestead, now used as a vegetable garden. A very poor neighborhood. Value \$372, or \$600 per acre.

Parcel 167, Map 8; .047 acre. Continuation of the Baden-Merced pipe line, along the southerly edge of lot 8, School House Homestead Association. A strip 16 feet 3 inches wide, 126.06 feet long, and is taken off the end of the Thornton property. Value \$70.50, or \$1500 per acre.

Parcel 181, Map 8; 1.378 acres. Lots 1, 2, 3 and 4, Block 7, School House Homestead Assn., crossed by a portion of the Baden-Merced pipe line. Was used as a violet garden. Value \$1,378, or \$1,000 per acre.

3292

Parcel 181, Map 8; .55 acre. A portion of lots 2, 3, 7 and 8, Block 1, City Extension Homestead, at the corner of A Street and San Pedro Road. Value \$825, or \$1,500 per acre.

Parcel 165, Map 8; 2.32 acres; Block 37 of the Villa Homestead Association. Crossed by the Baden-Merced pipe line, and at present used as a vegetable garden. Value \$1,972, or \$850 per acre.

Parcel 181, Map 8; 4.13 acres, Blocks 38 and 42, Villa Homestead Association, crossed by the Baden-Merced pipe line, and at present used as a vegetable garden. Value \$3,510.50, or \$850 per acre.

Parcel 145, Map 7; 10.59 acres. Portion of right of way for Ravenswood-Belmont line through the lands of the Frank Tanning Company, and the lands now or formerly belonging to the Leslie Salt Company. Value \$1,939.50, or \$183.14 per acre.

Parcel 147, Map 7; 6.35 acres. This portion of parcel 147 is a continuation of the Ravenswood-Belmont right of way to Steinberger Street. Value \$1,587.50, or \$250 per acre.

Parcel 147, Map 7; .53 acre. Portion of Ravenswood-Belmont right of way, between Steinberger St. and Redwood Slough. Value \$265, or \$500 per acre.

Parcel 149, Map 7; 6.21 acres. Portion of the Ravenswood-Belmont right of way through the Carnduff property. Value \$186.30, or \$30 per acre.

Parcel 163, Map 7; 8.36 acres. Portion of Ravenswood-Belmont right of way through the Tacoma Mill Company's marsh. Value \$894, or \$106.93 per acre.

3293

Parcel 189, Map 7; 2.35 acres. Portion of Ravenswood-Belmont right of way through the land of Lopis. Value \$152.75, or \$65 an acre.

Parcel 183, Map 7; 1.90 acres. Portion of Ravenswood-Belmont right of way through Hearst Lands. Value \$114, or \$60 an acre.

Parcel 148, Map 7; 14.89 acres. Portion of Ravenswood-Belmont right of way through lands of Dungan et al. Value \$893.40, or \$60 per acre.

Parcel 150, Map 7; 14.59 acres. Portion of Ravenswood-Belmont right of way through lands of Leslie Salt Company and the State University. Value \$510.65, or \$35 per acre.

Parcel 159, Map 7; 4.69 acres. Portion of Alameda pipe line and right of way from Marsh Road through North Fair Oaks, along Southern Pacific Dumbarton cut-off right of way. Value \$1,407, or \$300 per acre.

Parcel 201, Map 7; .55 acre. This comprises a part of the Alameda pipe line through the Hill-Knowles Tract, south of Redwood City. The land is at present a hay field. Value \$275, or \$500 per acre.

Parcel 201, Map 7; 1.45 acres. Ravenswood-Belmont right of way adjoining the Carnduff property, is marsh land and lies northerly of the Southern Pacific Dumbarton cut-off. Value \$108.75, or \$75 per acre.

Parcel 201, Map 7; 1.39 acres. This portion is an abandoned road by the south side of the Southern Pacific Dumbarton cut-off right of way and comprises a portion of the Ravenswood-Belmont right of way. Used as hay land. Value \$278, or \$200 per acre.

Parcel 139, Map 9; 2.5 acres. Strip of land between Southern Pacific right of way and the United R. R. right of way, and comprises a portion of the Baden right of way, and is partly low and boggy. Value \$1,250, or \$500 per acre.

Parcel 197, Map 9; 1.45 acres and .23 acre; gross 1.68 acres. Comprises a portion of the Baden right of way and lies northerly of parcel 139 between the S. P. right of way and the United Ry. right of way through town of Baden. Is boggy and has been partly filled. Value \$756, or \$450 per acre.

Parcel 129, Map 9; .42 acre. Fronts for about 70 feet on the Crystal Springs Road from San Mateo, and has a depth of 200 feet, and a width at the rear of 100 feet. Lies on northerly slope at top of grade west of San Mateo. Juts into the Templeton Crocker property, but at a considerable distance from the high grade portion of his land, the San Mateo-Half Moon Bay road being mostly used for back entrances. Value \$420, or \$1,000 per acre.

FORTY-NINTH HEARING. OCTOBER 25, 1915.

Witness: NORWOOD B. SMITH, for Defendant.

3297

DIRECT EXAMINATION BY MR. STEINHART.

I am familiar with the Poniatowski property, which is superior to the Spring Valley land. I am familiar with the Connolly property, which is superior to the nearest portion of the Spring Valley property. The purchaser of this land, at the valuation I have placed upon it, \$1,665,322.77, would have to expend more money before he could sell the land off. He would have to develop roads and trails, and generally develop the property, which would amount to a considerable sum. It would cost somewhere between \$750,000 and a million dollars to properly develop the tract as a whole. The portion of the property to the west of the lake is what I would consider extremely inaccessible in the wet season, and by that I mean its accessibility by automobile. To make it accessible would require the construction of a proper kind of road.

3298

The general class of people to whom country estate property is sold are those who have considerable means. There is a very considerable amount of land other than this land in San Mateo County for sale, and capable of subdivision into country estates.

3299

Parcel 73 lies directly west of the old Poniatowski tract, and can be reached in two ways at the present time. One is by the road from Millbrae to San Andres, which is a very poor approach, and would have to be practically written off in considering the subdivision of Parcel 73 into high-class tracts, because it is a road which runs through a very poor district; it leaves the highway at a saloon corner, which is very detrimental to a high-grade character of land. The other approach is from San Mateo, but to reach 73 you would not only have to go all the way up San Mateo Creek Canyon to Crystal Springs Dam, but you would then have to go north through Parcel 90, which is a very roundabout way, and would be a great detriment in getting high prices for the land at the extreme northerly part. The land east of 73 is all in private ownership.

I consider that the Portland Cement piece is not only superior to the Holberton piece in the proportion 250 to 108, the relative prices at which the land was sold, but it is superior by even a greater proportion than that. The Schaeberg property lies just west of Parcel 33, on Map 3, and touches the westerly point of that portion of Parcel 128 which contains 7.93 acres. It contains 203.5 acres, and was sold to Dineri Bros. on November 7th, 1910, at \$25 an acre. The greater portion of it lies either along or very near the plateau on top of the ridge, which is one of the spurs running southwestwardly from Peak Mountain. Nearly all of the tract is under cultivation. It is very much better than Parcel 33, because it is not cut by gulches, and is

3300

very nearly all cleared land. It is reached by a reasonably good mountain road, and is much easier to work. If 33 were cleared, it would be very hard to work any of it. By that I mean plow or cultivate it. Nearly all of the Schaeberg property is capable of being worked.

3301 Questioned by Master.

Referring to Parcel 55, Map 4; 98.94 acres: The information which was given us was, that the watershed area was 74.24; it was subsequently learned that the correct watershed area was 24.70 acres. The reservoir acreage figures 70 odd acres. Parcel 55, Map 4, containing 24.70 acres in the watershed, value \$2,470, or \$100 per acre. The acreage should be 24.70; price per acre instead of being \$89.91, should be \$100 per acre. The total valuation given here is \$6,675, and should be \$2,470. That will make the watershed acreage 16,619.65, and the valuation will be \$1,296,614.23 for the footing of page 2. That makes the total watershed area, not including the Phelps or Polhemus tract, 21,962.52; the rate per acre \$73.08. The total, not including the Phelps or Polhemus tract, \$1,605,013.86. The total including the Phelps tract, watershed area, 22,932.46 acres; rate per acre \$72.93; total valuation \$1,672,657.77. The rate per acre of the lands west of the hypothetical line is changed from \$56.43 to \$56.19; the total valuation is \$1,017,184.68. The average per acre, excluding the West Union, is changed from \$56.50 to \$56.25; the total valuation is \$943,827.88.

3302

(These changes were made on the face of the exhibit by the Master.)

DIRECT EXAMINATION BY MR. STEINHART.

In making my valuations I went upon the land, and considered the different portions of each parcel I was valuing. I figured out approximately how many acres there were of a certain unit type of land, and figured out how much that land was worth as a unit. Experience has taught me how to size up acreage, and another means of figuring acreage was to check by the use of instruments which I had with me. A final check, which was conclusive, was how the sum of these various gradations totaled with respect to a known total. I sometimes actually measured it with a tape line, or by pacing, making a proper allowance for whatever grades might be included. We had along a prunton, which is a small pocket surveying instrument, and a tripod. We also had a topographical map which I used.

3303

Parcel 5-2, Maps 2 and 3, which is marked on the paper which you have handed me, represents the parcel as shown on the Spring Valley maps and as graded by me in making the appraisal. The first column represents the number of the separate units; the second column the acreage in that unit; the third column the rate per acre; and the fourth column the total value. That is the method followed by me in grading each parcel of land.

Unit 72 or Parcel 5-2 is the area which includes the Stone Dam lake, and I valued that at \$600 per acre. Unit 49 is what I consider a very beautiful plat; it has large trees, and there is a little brook running down from the mountains near Scarpas Peak. It is a particularly attractive piece of land, and I considered it worth \$400 an acre. Unit 48 is mostly covered with chaparral—there are a few firs in the various gulches—and lies near the base of the left bank of the Pilarcitos Creek below the Pilarcitos Dam. That is, it lies on the west slope of the Cahill Ridge. The slope is very precipitous, rough, and mostly covered with brush, and exposed to rather unattractive climate. On page 26 of the book of photographs, "Defendant's Exhibit 48", is shown a photograph which illustrates a portion of unit 43. On page 29, the middle knoll in the right panel illustrates unit 25, and a portion of units 24 and 19.

3304

Witness was shown a segregation map of Parcel 49, on Map 4: The McFarland property adjoins Parcel 49 on the west, and is contiguous to unit 1 shown on this segregation map, which is marked 2.

3305

Parcel 37, Map 4, lies from the south line of the Poor Farm northerly. At the middle of 37 is the upper Crystal Springs Dam. The Poor Farm lies just east of the southerly part of 37, and north of 48, and south of the Polhemus tract. The property owned by the Splivalo Estate adjoins the Poor Farm on the east, and it is a large, unimproved tract.

3306

Questioned by Master.

The Carolan piece is directly opposite 90, which is north of the San Mateo Creek; this is south of San Mateo Creek. This paper is marked 3.

DIRECT EXAMINATION BY MR. STEINHART.

Shown a paper marked 4, Parcel 153, Map 2, Fifield ranch; also a paper marked 5, which shows Parcel 191, and one marked 6, which shows Parcel 90. The Carolan piece is opposite Units 16 and 11, shown in these segregations. I have given 11 an average value of \$206.44, and its value is \$27,375; for unit 16 the value is \$20,550, or \$186.81 per acre. Unit 16 is comparable only to the back portion of the Carolan property, and is not so good. The portion of the Carolan property which is the better portion is that lying easterly. The back part of unit 11 is not quite as good as unit 16, but the front part of it is very much better than the back part. The better portion of unit 11 is that fronting on the lake. The back part of it is much the same as the back portion of the Carolan property, which is contiguous to it.

3307

Witness shown a paper marked 7, showing Parcel 48, Map 4; also a sheet marked 8, which shows Parcel 46, Map 4; also one marked 9, showing Parcel 45, Map 4; also one marked 10, showing Parcel 68, on Maps 3 and 4. Subdivision 10 in my segregation is part of the point which is opposite the Crystal Springs Dam; a portion of it is cleared;

it lies very well, and is prettily wooded, and has a very great value in my judgment. \$11,000 for the 20 acres, or \$550 per acre.

Witness was shown page 11, which shows Parcel 164, Map 5; and also page 12, showing Parcel 194, Map 5, and stated that they are correct.

3308 (Counsel for Defendant asked that these segregations be introduced in evidence, and marked "Defendant's Exhibit 49", but the Master allowed them to be retired and brought back in bound volume, when they will be received.)

CROSS EXAMINATION BY MR. MCCUTCHEN.

3309 I have operated in Menlo Park, Palo Alto, Woodside, what is known as Portola, or the lower Woodside Valley; the Canada District of Woodside; La Honda; the Coast; the northern part of Santa Cruz County, and Los Altos. We have also made sales in San Francisco, Sonoma County, and in the central portion of Santa Cruz County.

3310 In the country between Redwood City and San Bruno—from the ocean to the bay—I sold a parcel belonging to Jackson to Keyes, north of Redwood City; that was an improved place, and there may be others. I have operated somewhat, but not extensively in the country between San Carlos and San Bruno, taking it from the ocean to the bay. I do not recall ever having sold anything there, but I could not state positively whether I have or not. I am in doubt about it, but I can state that because of the lack of high-grade estate land that has been for sale in that locality, that I probably have not made any sale. There is not an absence of high-grade lands between those towns. There is plenty of high-grade lands, but not plenty of high-grade estate lands. There is some high-grade estate land, but most of it is in the

3311 Spring Valley Co.'s property. There is other high-grade estate land between those towns; right back of San Mateo, Burlingame, and that district. The Menlo Park district is the most favored climatically, and that includes the lands north of the Stanford lands, and south of the Redwood City lands, and east approximately of the Pulgas Ridge. By Pulgas Ridge, I mean the extension of that ridge which divides the Crystal Springs watershed from the bay watershed. When I speak of the Pulgas Ridge, and the land lying east of it, I mean the property that lies between Woodside and the main valley. I do not take in any of the country to the right as you go south along the drive toward Woodside. As you go to the Morsehead property, I do not include any of the property on the right in the Menlo District.

3312 I would extend the Menlo District approximately two and a half miles to the right from the state highway as you go south, and it would run into the foothills beyond the Sharon property. In some cases it would be quite a little beyond, and it might be quite a little bit east. The Menlo District, generally speaking, the land lying east of the foothills which border the Woodside District on the east,

- and as far as our operations are concerned, ends at the Stanford lands, but so far as the general district would go, I would say it would extend as far as half a mile north of the Arastra Devo Road. This road cuts the highway at about a mile and a half south of Mayfield, and from that point approximately northwest. The climatic conditions south of this road, or of a line approximately east and west, cutting the highway at the junction of the Arastra Devo Road, is slightly different from the condition north. The condition northerly is better, in my opinion, because there is less trade wind north of the foothills in the summer, than there is south of the Arastra Devo Road. That unfavorable condition extends approximately to a line from Los Altos, a little south of west, and then from Los Altos south of east. The unfavorable climatic condition includes the northerly portion of the Los Altos district, not only toward the highway, but out into the foothills also. There is a large valley west of the first foothills in which the California Chicken Co. has a plant; that big valley is apparently a draw through which this trade wind is very likely to exist. There are a number of draws all through the foothills in the neighborhood of the Sharon property, but the winds are not very violent there. The winds are not violent in the Los Altos district. There is a thoroughfare in the Los Pulgas district called Alameda de Los Pulgas, but it does not touch the Sharon property at all, although it goes along in front of it, and you can see the Sharon property from it. You can see the Alameda de Los Pulgas from the Sharon property. I would call that a mild district, and would also call the Los Altos district mild.
- I do not know how many times I have been on the property sold by Scarpas to Grainger. The first time I went to it, I went from the state highway over the Milbrae-San Andres Road, across the Pilarcitos Dam, and up the Pilarcitos Road to the crest of the Montara Mountains, and then southerly along the crest of the Montara Mountains to Scarpas Peak. I drove around Scarpas Peak and on through a rough piece of land, which is the southwesterly part of Parcel 5-2, and then drove on to the Grainger piece. On the inspection trip I pointed out that property to his Honor, and in part gave him a general description of it. Mr. Lawrence and I pointed out where it was; we discussed approximately how much land there was clear, and where their uplands lay. I also told him that a portion of the land extended down easterly into the area towards the Pilarcitos Canyon, and that that was partly covered with fir, or covered with fir. I told his Honor that that portion that we saw cleared, was cleared at the time Grainger purchased it, as Grainger told me that it was, and Scarpas also told me that it was before he sold it to Grainger. It is possible that he told me that that land was cleared years ago, and had not been used for a good many years, and was overgrown with brush at the time he purchased it, but very improbable. I met Mr. Grainger on the land when I talked with him about it. I do not remember that I have talked with him

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more than once. I stated that there was quite an area cleared on the Grainger land, but I do not recall that I stated it was cultivated at the time of the sale. I do not know whether it was cultivated at the time of the sale or not, and if I stated that it was, it was an error, because what I had in mind was that it was cultivated at the time that I appraised this Scarpas land as though it was Spring Valley land. I have absolutely no information that would warrant me in saying that it was cultivated at the time of the sale. When I was discussing the Grainger property on the inspection, and in my testimony, I intended to give all of the facts that I knew bearing upon it, and if there is
3318 anything I omitted, that I know, I would be very glad to give it. The character of the land; the price which Scarpas was desirous of selling for, are generally speaking the facts which I gave which would enable the Master to determine the relative value of that property. I will
3319 have to refer to the appraisal I made in order to give you a general idea of what I thought of the Scarpas land at the time I was on it. I made that appraisal at the time I was appraising Spring Valley lands, but not at all for the purposes of this case. I made appraisal of it because whenever I am able to, I make an appraisal of any land wherever I am. The appraisal was made on the 25th day of April, 1914, which I think was the day on which I took the photograph. There were approximately 50 acres which I valued at \$25 an acre; that was \$1,250. Approximately 35 acres valued at \$22 an acre; \$770; and approximately 155 acres valued at \$10 an acre, or \$1,550, giving
3320 a total valuation to the parcel of \$3,570, or \$14.87 an acre. It was assessed in 1913 at \$1,000. It was offered to us for sale by Scarpas on the 27th day of September, 1912; I knew the description of it, 240 acres; he claimed 70 acres of good farming land. The price was \$3500 net. I knew that there was a deed shown on the San Mateo County brief, issued by the George Rice Abstract Co., of March 21, 1913, showing a transfer of the property March 19, 1913, from Helen P. Scarpas to M. J. Scarpas—son, 240 acres, southwest quarter of Section 4, and the east half of the southeast quarter of Section 5, Township 5 S., Range 5 W., and other lands; there was also a deed from M. J. Scarpas to F. J. Grainger, the same description and other lands; then subsequently to that I learned of an approximate price, but it was subsequent to my first knowledge. When I was on the ground I understood Grainger to say that the price was \$2,700 for the tract, and Mr. Cranston, my partner, who was with me, understood him to say it was \$2,750. That was after we made the appraisal, but I have since learned that the deed contained a price, although of that I know nothing of my own knowledge. I think that is all I know about it.
3321 Scarpas may have told me some things when he listed the property.

I would want to know also whether there were any buildings or not on the property. I don't recall how many times I was on the property, and if I went to it more than once, I did not go by any other

route than the one I have already described. Grainger gets to the property the same way I went out from it, and he goes out from it down to the Half Moon Bay Road. It is very nearly three miles I should say, and might be more than four miles. The road runs down a hogsback from his place until it gets perhaps within a mile of the Half Moon Bay Road, then it strikes down to the west to a little gulch, where there is an old delapidated house, a few old scrawny gum trees, and then runs over what was in peas at the time I was there first, and potatoes the last time. It is very close to the buildings and the town of Half Moon Bay. It is within less than a half a mile, I think. To get to the Grainger property from San Mateo, one is compelled to go all the way to Half Moon Bay, and then take a road 3 or 4 miles long to get up to the property, unless you cross the Spring Valley lands anywhere from Santa Clara Valley. The road from the Grainger piece to Half Moon Bay is a private road, and Grainger probably has to keep it in repair. Others may use it; but as to that I do not know. That had a very decided bearing upon the value of this property, and had a bearing at the time I appraised the property.

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The climatic conditions are different on the east side of Buri Buri Ridge from those that prevail on the west side, although I would not say there is a very great difference. I cannot define it in percentages, but I can define it in the character of the growth. The character of the growth on the westerly side indicates wind to a certain extent, and that on the easterly side of the ridge indicates that there is wind, but less of it. There are more trees on the east side than there are on the west side, irrespective of the shape; the growth is denser, and I think that that is the result of a better climate. The natural growth on the easterly side of the ridge is more luxuriant, up to the center of the lakes, than the natural growth on the west side of the ridge. When I speak of east and west side of Buri Buri Ridge, I confine myself entirely to a consideration of that ridge, and not to any other ridges which lie westerly. The livable climatic conditions are different all through that country. That is what tends to regulate values to a certain extent. By livable climatic conditions, I mean the effect on the individual which I determine by my experience with other people. To answer your question means to recite discussions that one would have with people on the lands, or under the conditions, or with people who have lived there prior to the use of the lands as reservoir sites, or with people who have gone through that country on picnics. That is the experience with these people, and my own personal experience has been very decided in the matter, although it has not been such as to create a great prejudice in my mind as to the land of the Spring Valley, as I have no prejudice against them or against the locality. I have said that I thought the climate was beastly in certain parts, but that expression is not necessarily to the locality, but to certain parts of the land.

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The climate on the east side of Buri Buri Ridge and north of Redwood City is a good climate, and it is apt to be warmer than south of Redwood City. It is a good enough climate, but there is something that would deter people in looking for country estates from buying in that locality, but it is a question as to whether it is so great that it could not be overcome by the advantages which might exist in that locality. It has not deterred them in the past.

3327 There is land between San Carlos on the south and San Bruno on the north available for country estates, except the Spring Valley Water Co.'s lands, but that district has built up very densely, for the reason that it is close to transportation, and is really close to San Francisco. It has the highways which are so important in the matter of automobile traffic; it has neighborhood, environment and conveniences. These latter factors are of varying amounts westerly from the state highway; starting at Easton, or north thereof, there is nothing along that line except the Mills property itself; then starting at Easton, that environment would extend back very close to the crest of the Buri Buri Ridge or about halfway between the large sign "Burlingame Hills" and the actual crest. My determination of that line is a matter of experience and opinion. I sold a great many country estates, and I know what people want, and I know that they might want to go over a hill of that kind under certain conditions, although 3328 I do not know that those conditions exist there.

Mr. Carolan's land runs to the crest further south than the Easton land, and although his residence is not on the actual crest of the hill, it might just as well be. Where he built is not an undesirable location, but it is not, in my opinion, the best location, and from the standpoint of one who is looking for a country estate whose desirability would depend upon what the man had in mind. If Mr. Carolan had consulted me, I feel at the present time that I would have advised him to go 3329 further east or northeast, or nearer the general easterly line of his property. I would have advised him to buy that property, and if he had come to me and said that he had an opportunity to buy this property or a part of the property west of Crystal Springs Lake for a country estate, I would have had to go over both parcels before I advised him which one to buy.

As to whether the Carolan property is more attractive than property to the west of Crystal Springs Lake, the question of price enters in there, but if you could get the same acreage at the same price, the 3330 Carolan property would be the better as a speculation, as the question of value always enters into the purchase. As a matter of scenic beauty, I think that the Sherwood Point probably surpasses any point on the Carolan property, but as a matter of general desirability, I would say that the Carolan property would be the easier one to sell—granting that they are salable at the same price—and therefore I would say that it would be the better property. The fact that it would be a

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

quicker sale is conclusive evidence to my mind that it would be more desirable to more people than the other tract. The question of price would be a very great element in making it more desirable than an equivalent acreage west of Crystal Springs Lake. Also the questions of neighborhood, environment and character of the land. By neighborhood I mean the immediate vicinity of a tract of land which may be under consideration, and by environment I mean the general vicinity. I do not mean society, although to a certain extent, of course, that is reflected. 3331

The Menlo Park country is as near to environment, neighborhood and society as these Spring Valley lands. I have no idea whether there is a residence in Woodside that cost \$25,000, or how many there are in Hillsboro that cost so much. I do not consider the Hillsboro District is of the same type of country estates that we are considering. The acreage is smaller than the usual country estate. The Crocker place is one of the exceptions, and the Crocker and Poniatowski place I consider as one. I do not recall the acreage of Mrs. Whitman's place, or of the old Carolan place, but those are of a different type than the usual country estates, with the exception of the Crocker, which is very similar. The Carolan is somewhat similar, and the Clarke is similar, but of a more highly developed character. The Clarke place is much more highly developed than in all probability an estate over in the rough country on the Spring Valley watershed would be. I don't recall ever having seen the Clarke place before it was developed, so it is very difficult to say how the natural beauties of the place compare with the natural beauties of the Spring Valley land. I saw a great deal of the Clarke place the other day that had not been developed, and to a certain portion of the Spring Valley land it was so similar that you would never know the difference if you were to transplant the one into the other. It is very similar to some portions of the Crystal Springs area of the Spring Valley land on the southeasterly part of the lakes. You could pick up the Clarke tract, or any part of it, and set it down in portions of the Spring Valley land, and never see the difference at all. It adjoins what I understand is called the Polhemus tract. 3332 3333

It differs in contiguity, from the Spring Valley lands which I have valued on the easterly slope of Buri Buri Ridge, to high-grade neighborhood. 3334

I should say it was about a mile and a half, or a mile and three-quarters from San Mateo Station to the rear portion of the tract, or the beginning of the section purchased by Clarke from Hobart. I should say it would take about ten or fifteen minutes to drive from San Mateo Station to Crystal Springs Dam. When you get to San Mateo Dam, you are right in the Spring Valley property. It would not necessarily be a drawback, although it might be, to a country estate, if it required ten or fifteen minutes to reach it by automobile. 3335

3336 It might be if it was in competition with equally good stuff at the same price. If it were in competition with La Honda, it would not be a drawback, but would be a decided advantage. I do not think that I said that La Honda lands were more accessible than Spring Valley lands, as there are some portions of the Spring Valley lands which are obviously much more accessible. When I stated that the Spring Valley lands were less accessible than the La Honda, I had in mind the ridge lands, and the lands which are of a similar type, and salable to people who would buy at La Honda. I do not recall whether, when I was asked to make a comparison of the Spring Valley lands with La Honda, I picked out any single one of the Spring Valley lands.

Questioned by Master.

3338 The ridge lands are the lands lying along the Sierra Morena Ridge, which lies south of Half Moon Bay Road.

CROSS EXAMINATION BY MR. MCCUTCHEN.

3339 In a general way, I know about the demands for property in the vicinity of San Mateo, which I learned by inquiry in our offices for land of that description, and in that location. I have had stuff for sale in the neighborhood of San Mateo. I have had the Forbes tract, in which I think there were 44 acres from the highway running back into the hills, between San Mateo and Beresford. I have had the Melara tract, which the Beresford Country Club now owns, although I did not sell that. I have had the Black Mountain Land & Water Co.'s tract; they own various lands there. The Carolan piece was formerly a piece of that land. I do not remember the first time I talked to them. Their property was never exclusively placed in my hands, and it was not given to me in writing. Very little property is placed in our hands in writing, because we do not ask for contracts unless we have something on. I do not know the name of the man who placed 3340 the Black Mountain Water Co.'s property in my hands. I went into the office and asked if the land was for sale, and that is the only way it was placed in our hands. George Ross owned a piece near Beresford, and considerable Belmont land has been placed in our hands from time to time, although I have never sold any there.

3341 In my opinion, a man is qualified to express an opinion with reference to the value of property in a given district, through his general knowledge of values; his experience in the general location; his particular experience in the market from which the buyers are drawn; his knowledge of the country, the conditions which go to make up the value, the climate, growth, general contour, accessibility, neighborhood, environment, and conveniences. It is not necessary, in order that a man may have an accurate opinion of values that he should have operated in the locality, if he has had experience in similar types of lands where the market is the same for those lands. A man who has had experience in the sale of property somewhat similar, may, under the qualifications that I have mentioned, go into a locality where he

never has operated, and express an accurate opinion of the value of the property in that locality. By knowledge of values, I mean knowledge acquired by inquiry and by actual experience. I, personally, had no actual experience that I can recall in the San Mateo district, so that my knowledge with references to values there is what I ascertained by asking others and looking up the records of sales. I think I have information that enables me to fix the value of these properties about San Mateo.

When I say that I have dealt in similar properties to the Spring Valley properties which I have valued in this case, I refer particularly to Woodside and La Honda properties. The Woodside properties are comparable to the Spring Valley properties, that is to a certain portion of them. The Morsehead Tract is, to a certain extent, comparable to those parcels along the east slope of the Sierra Morena Ridge, which starts at the crest of the ridge, and runs down to the Pulgas grant line, or to the Crystal Springs Lake. I do not refer so much to the end of the ridge which contains the Callaghan and Caffery property, and properties of that nature, but to the end nearer the West Union country, more particularly, I think, to the Knopf land, or the Frapoli land. They are in part West Union lands, but the Spring Valley lands are also in part West Union lands.

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As I recall it, I said yesterday that in the Woodside district there were redwoods, but that there were no redwoods on the balance of the Spring Valley lands, and then qualified it and said that what I had in mind was the land primarily north of the road there. Mr. Lawrence said he counted six; aside from that I have never seen any.

There is a considerable stretch of country between the Half Moon Bay Road and the road leading to Redwood City which crosses the Canada Road, and I have valued a considerable stretch in this case between those two roads. There are redwoods on some of those properties, although I do not recall the parcel numbers. As to whether redwood trees on land are very favorable to the land, depends on how they are located, how large they are, and other matters. The presence of second growth of redwood trees is sometimes a recommendation to the land. Generally speaking, it is an advantage to land. If I were looking at land for the purpose of determining its value, and found redwood trees on the land, I would consider that in making the appraisal. I cannot say how great the point would be, as there are many elements that enter into the value of land. I regard virgin redwood as some of the most beautiful forests you can see, and I should say there are about 20,000 acres of them left in the Coast Range, most of it in the Pescadero, and Beauteno Canyons.

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The purpose of the general descriptive notes which I have read to his Honor was to bring up the general character of the individual piece as nearly as it could be done in a few words. I intended to bring out the good qualities as well as the bad qualities of the land. I

3345 do not know whether there is a single one of my pieces where I comment on the presence of redwood; there may not be. I do not recall that I said there were redwood trees on the La Honda, and that on the Spring Valley properties there were only some kinds of fir, as I certainly said there were redwoods on the West Union district of the Spring Valley lands, and that in the Pilarcitos Canyon there was fir. The fir trees are very handsome, but in my opinion, they are less handsome than a redwood, but that is just my personal opinion, and I do not know whether it agrees with the opinion of horticulturists.

3346 Referring to page 3190; I remember making the following statement: "The growth is much better in La Honda. The brush is more luxuriant, where there is brush; the timber is more beautiful, being redwood timber, while the only timber on the Spring Valley lands is some sort of fir, excepting where they have forested it themselves." I did not intend to give the impression in that statement that the redwood timber was much handsomer than the fir that I saw on the Spring Valley lands. I said the growth was more luxuriant, and that the timber over there was more luxuriant, and anything that may have entered into the statement was simply along that line, but apparently in stating that there was fir timber on the Spring Valley lands, I had in mind the bulk of the Spring Valley lands, and neglected to qualify, that in the West Union District, and along the top of Sierra Morena there is redwood. I do not know that there is any more reason why I didn't mention redwoods in my notes than why I didn't mention the kind of brush I meant when I mentioned chaparral. I consider some chaparral very beautiful, yet I did not mention what kind of brush I meant to characterize as chaparral.

3347 I should like to refer you to parcel 205, in regards to which my notes say, extends from the crest of Sierra Morena Ridge, through the West Union watershed to the Canada Road. The front portion near the Canada Road is steep, bare and unattractive, being an abandoned vineyard. The middle portion near the West Union Creek is comparatively flat and open, continuing into groves of redwood, and up the mountains which have a considerable number of second growth redwoods. Part of that is in the West Union. I do not know that I have mentioned the presence of redwoods on any of the other properties.

3348 Referring to page 1 of book of photographs: I took that photograph for the purpose of showing the climatic conditions in that district, and that there are very strong trade winds there most of the time. Where every tree is bent, it would not necessarily indicate that there was strong trade winds in the locality, as there are many things that might bend a tree, such as being trained that way, but in the case shown in this picture, it is the wind that does it. Where a forest tree is bent in that shape it does not necessarily indicate the

prevalence of strong winds, as there might have been a violent storm that bent it at some time, or there might have been an interference in its growth. As a general rule, where you find a group of trees such as in this picture, everyone of them leaning in one direction, with its bows which are exposed to the general direction of the wind nearly all stunted and bare, and the under sides which are protected from the wind full and comparatively luxuriant in growth, it is rather a good indication that there is a steady wind in that direction. The presence of bent trees damages the value of the property; as they indicate a windy district. I took photograph No. 3 for the same purpose, and these photographs would indicate conditions just as I have outlined in my answer to my former question. The presence of such trees would influence buyers, particularly if the land were offered for sale in competition with anything of the same type.

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You could hardly get anything of the same type in the Menlo District. You can at San Carlos, Belmont, and at Beresford find the same character of misshapen trees, and also at Pescadero and below there. It seems to me I have seen just as badly twisted trees in isolated instances right in the heart of the fine oaks of Woodside, which were probably produced by lightning or some faulty growth. I have not heard of lightning striking trees down there very often.

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Witness was shown a photograph marked No. 26: I am not a horticulturist, but I would say from the way those limbs grow that there is some internal reason for the shape of that tree; some faulty growth.

Marked "Plaintiff's Exhibit 50 for identification".

In a very small degree I was influenced in putting my values upon this property by the presence of trees such as shown in that photograph. I was influenced also by the climate which created this condition of the trees. When a tree is forced into that shape by the wind, I include the wind in my climatic conditions.

Witness is shown a photograph marked 28: It is a little difficult to express an opinion as to what caused the shape of the trees indicated in that photograph, because I cannot see enough of the country. This might be an isolated instance, or it might be that the contiguous trees in the vicinity would show that it was wind. I cannot express an opinion as to whether that is the result of wind, because I cannot see enough of the country.

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Photograph marked "Plaintiff's Exhibit 51 for identification".

Witness shown a photograph marked No. 4: I would not say whether those trees were influenced by the wind or not. I certainly have seen trees like that on the peninsula.

Photograph marked "Plaintiff's Exhibit 52 for identification".

Photograph marked No. 3: I would not express any opinion as to what caused the shape of those trees. There are so many

different shaped trees, but they might all lean away from the view point. I cannot tell from the picture.

3352 Photograph marked "Plaintiff's Exhibit 53 for identification".

Photograph marked 29: That looks as though it is wind-blown, but I cannot tell. Assuming that it is wind-blown, that would be a detriment to the sale of the property in the locality to a certain extent. I think there is a much better example of a wind-blown tree among my Spring Valley photographs.

Photograph marked "Plaintiff's Exhibit 54 for identification".

Photograph marked 11: That looks very wind-blown.

Photograph marked "Plaintiff's Exhibit 55 for identification".

Photograph marked 17: I would think that wind produced that. It might not necessarily be a strong wind, but a steady wind.

Photograph marked "Plaintiff's Exhibit 56 for identification".

3353 Photograph marked 23: I would think that the picture was a little deceptive, although not intentionally so. I get this impression from it; that there is a wind most of the time, blowing more or less towards the view point; in other words you are looking a little to the right of it into the wind. The wind was not necessarily blowing at the time the picture was taken, but the locality is subject to more or less steady draft in that direction. If there was anything to assume like that in favor of the Spring Valley properties, I assumed it.

Photograph marked "Plaintiff's Exhibit 57 for identification".

Photograph marked 7: I would not call that misshapen, excepting that the trunk seems to grow in a peculiar way. I do not know that the wind had anything to do with the shape of the trunk, and would not want to say.

Photograph marked "Plaintiff's Exhibit 58 for identification".

Photograph marked 36: I would say there was a certain steady wind in that district, but not a very heavy wind, wherever the district may be.

3354 Photograph marked "Plaintiff's Exhibit 59 for identification".

Photograph marked 20: It looks as though there was considerable wind there, yet it is very deceptive, because some of the other trees seem to be so short. The tree in the foreground looks very much wind-blown, but it may not be. I cannot tell. I caught the impression from the picture that there is another tree there that lacks size at the extreme right, besides the one in front of the trunk of which a man is standing.

Photograph marked "Plaintiff's Exhibit 60 for identification".

Photograph marked 14: Does not necessarily show strong wind action. I think it might have been caused by something else than wind. If I assumed that the tree leans in the position in which the wind blows, I would have to assume then that the wind blew.

Photograph marked "Plaintiff's Exhibit 61 for identification".

Photograph marked 16: It looks as though there was a trade wind blowing from the left to the right part of the summer, but I cannot tell, as there is only one tree. If you could see the whole country, you could get an idea.

Photograph marked "Plaintiff's Exhibit 62 for identification".

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Photograph marked 18: Looks very much as though it was subjected to a steady trade wind of a mild sort. I do not know whether that is on property on which I have a "For Sale" sign, but it is not unlikely. A tree like that would prejudice a buyer against the locality compared with property equally good situated in the same way, at the same price, and that had better trees in the same locality. Other things being equal, the presence of wind-blown trees will be a detriment.

Photograph marked "Plaintiff's Exhibit 63 for identification".

Photograph marked 38: I would say that that indicated the action of very gentle and steady trade winds.

Photograph marked "Plaintiff's Exhibit 64 for identification".

Photograph marked 19: Looks as though it might indicate wind action. I do not think that it is very strong, but it is rather steady. I do not recognize the locality that it photographs.

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Photograph marked "Plaintiff's Exhibit 65 for identification".

Photograph marked 22: I do not think that indicates wind action.

Photograph marked "Plaintiff's Exhibit 66 for identification".

Photograph marked 32: I would say that it was in a locality that was subject to a rather steady, but gentle trade wind in the summer.

Photograph marked "Plaintiff's Exhibit 67 for identification".

Photograph marked 9: The immediate vicinity would require investigation as to wind. It is possible that it is just a draft through one district, but it indicates it should be investigated.

Photograph marked "Plaintiff's Exhibit 68 for identification".

Photograph marked 31: There might be a slight trade wind there; I cannot tell.

Photograph marked "Plaintiff's Exhibit 69 for identification".

I could not say whether there is any locality on the peninsula north of Mountain View the equivalent of a quarter section of land where misshapen trees due to the action of the wind cannot be found. I have already stated that such trees are very common all down the peninsula. I have seen lots of them around Woodside, and most of the trees just north of Redwood City are wind-blown. There is certainly not a large growth of trees just south of Redwood City, and below the Woodside Road, and between the state highway and the railroad that shows very violent wind action. There is a grove of trees that shows wind action, but it is what I

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would call steady, and more or less gentle wind action. I do not know what proportion of those trees in that tract south of Redwood might lean. I would not be surprised if they all did, because they are the first of the heavy groves which are exposed to the summer wind; I refer to the groves at Menlo Park. I think they are leaning to the southeast, and the prevailing winds in the summer are from the northwest, and come from the ocean. They come in the same direction as the winds that sweep over the Spring Valley properties.

We do not have a great deal of wind at Palo Alto. I know the Sharon property very well, and it is not far from Palo Alto. I know the lowest spur in front of the Sharon property, and I recall that a good many of the trees lean to the southeast. I suppose it might have been produced by the trade winds, but I do not know. It looks to me, and has always seemed to me that that was the cause of it.

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I emphasized the fact that the trees near Redwood were the first large trees, because there is a bare strip between Belmont and San Carlos, from San Carlos and below Redwood, excepting for the White Oak district, which is around Mr. Pease's property directly west of Redwood City; the White Oak area runs very nearly to what we call Hooper Road, which runs through the old Bostwick ranch; from there south to Woodside Road there are very few oak trees as compared to what we run into after that, and I meant that the grove south of Redwood was the first of the groves that are so very dense at Atherton and Menlo, and Palo Alto. I would not be surprised if there were a large number of oak trees there that were bent by the winds, because there are a large number of trees bent there.

The district north of Atherton or Redwood is not favored. It is the district south that is favored. I consider that the district south of Redwood is in a better climate than the district north of Redwood.

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The following was read from page 3230 of the testimony: "The land lying along the entire westerly slope of the Buri Buri Ridge is, for the most part, a lower grade than the easterly slope, due to the fact that the crest of the ridge forms a windbreak, particularly where the original owners planted groves of trees to increase the windbreak. As the first foothills near the state highway are approached, the climatic conditions are greatly improved, there being less rain, considerably less wind, and a milder temperature generally. This is particularly true of the district north of Redwood City and Woodside."

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That is correct, and I particularly referred to the district north of Redwood, and the same thing, but in a different ratio, is true south of Redwood. When I referred to the district north of Red-

wood and Woodside, I intended to say that the climatic conditions on the west side of the crest of the Buri Buri Ridge are less favorable than those on the east side, and I used Redwood City and Woodside as a means of locating this district north of those places. South of Redwood City and Woodside the conditions change. From Redwood City to the Arastra Devo Road, and including Woodside, it is true that the climatic conditions of the first foothill and valley lands are better from the Arastra Devo Road north to approximately Redwood City than they are at Woodside. My intention is simply to show that generally speaking, the climatic conditions are better east of the Buri Buri Ridge, the Pulgas Ridge, and the extensions to Portola. I mean they are better east of Buri Buri Ridge than they are west thereof, and better east of Pulgas Ridge than they are west of Pulgas Ridge, and that the climatic conditions are better east of the hills which are east of Woodside than they are west of the hills. I would say that the climate generally in the district from the ridge which divides the Woodside District from the Valley District is better than the climate in the Woodside District. I have never called it the Pulgas District, but that would be a good name for it. It is my opinion that the climate in the locality extending along the state highway and up to the top of the Pulgas Ridge is better than the climate along the Woodside locality. I think there is a greater difference in the climate north of Redwood City.

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As to whether there is any obstruction that prevents the winds going down through the Woodside Canyon, that has to be a matter of opinion. I know nothing of geodetics or climate, or any of those things.

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Questioned by Master.

There is a divide there, but whether that has anything to do with preventing the wind from going to Woodside, I do not know.

CROSS EXAMINATION BY MR. MCCUTCHEN.

That is the little knoll or rise from which you come, and down which you come, when you come from Crystal Springs to the Woodside country. It is about where the Oscar Beatty property is. The northerly part of the Canada District of the Woodside country is somewhat windy, but there is very little wind between what we call Woodside proper, where the Whittell place is, and just south of where the Fleishacker place is, until you get down to the southerly end of the valley, where Mr. Law's property is, with one exception, that there is very likely to be a draft down through the old Preston property, where the La Honda road goes up, although that draft is apparently of small consequence.

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The wind is not strong in the Woodside country, except at times. The wind that is so strong in Crystal Springs Valley I have

always supposed went over to San Carlos and Belmont, but I do not know anything about it definitely. The pictures that I have of wind-blown trees are much south of a line drawn east and west through Belmont, which will take you up north of the Spring Valley lands. It is merely my opinion that the winds that bent those trees went out in a direction that took them over to San Carlos and Belmont. My experience has been that the winds crossed the Spring Valley lands, and crossed Beresford, Belmont, and San Carlos, and part of the Redwood district. They do not cross the bay, but do, in fact, fan out and affect all of the flat country in there to a certain extent, but in no way to the extent that they affect the country out at the base of the mountains. They do get around Los Altos and I think come from the Pacific Ocean. I do not think the country down along the state highway could be free from the wind, unless they were what seem to be natural barriers to divert those winds.

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Witness was shown a photograph taken near Los Altos: Undoubtedly if that was the case it would be a fair assumption to say that that was a result of the trade winds to which I have already referred. The shape of the trees on the Spring Valley property is due to winds. I have a stronger example of wind action among the pictures that I have taken than this one, and you can refer to the first one in the book.

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They certainly have very few strong winds at Los Altos, but they have a trade wind there or a steady breeze, and it has been my observation that a steady breeze would convert a tree into the shape of the one you have just shown me in the photograph. They didn't do it with the Spring Valley trees, because they are not steady breezes, they are hurricanes. I have been around Los Altos quite a little, and have found windy weather there. You will occasionally get very strong winds most anywhere on the peninsula. I have very often gone up and down the peninsula on the state highway without finding a wind blowing in front of Burlingame and Hillsboro. You will probably encounter a very high wind from San Carlos to the southern part of San Mateo about 80% of nine months of the year; you would probably encounter rather stiff winds about four or five months of the year from the southern part of San Mateo to the middle of San Mateo; then from the middle of San Mateo to approximately the Burlingame Station, the climate is milder; there are less winds, and north of that you run into the winds again. For 60% of the entire year you encounter very strong winds in going from just north of Redwood City, or south of San Carlos, to Beresford, or the southern part of San Mateo. These winds do not stop when you get north of San Mateo, but you run into a warmer belt there, and it has been my observation that it was an increasingly better climate until you get just about halfway

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between that point and a little north of the Burlingame Station. It is my opinion that the shape of the hills, and the planting that has been done must have had something to do with the wind being so much stronger between Beresford and the south side of San Mateo than it is north of San Mateo. It is possible that the shape of the mountains back of the foothills may have something to do with it. I mean it is possible that in addition to other conditions, the conformation of the ridges which lie between Buri Buri Ridge and the ocean may have something to do with it, but of course that is just speculative; I do not know. If they had something to do with it, they would also have something to do with the force of the wind on Buri Buri Ridge.

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It is my opinion that the crest of the Buri Buri Ridge forms a wind break. That is, the entire ridge from its base to the crest. That does not mean that the wind cannot get over the ridge. I have no idea where the wind comes from that you find between Beresford and San Mateo, but I suppose that it comes from over that ridge. There is no canyon through which it can get there, except San Mateo Creek Canyon, which lies between the north end of the Pulgas Ridge, and the south end of the Buri Buri Ridge, and comes out at San Mateo, and I do not think that has anything to do with it.

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I have had a good deal of business in Hillsboro and Burlingame, and I have been up there a great deal on business, aside from the business of valuing these properties. I once went up there to go over Mrs. Crocker's place, and I went into Mr. Pope's place there, and there were other times that I have been there. I went at all seasons of the year to conduct personal business with Mrs. Crocker and Mr. Pope, as I handle a good deal of business for both those people, and it takes me to their Hillsboro residences very often, and it also takes me to their city offices. I have found it very windy in Hillsboro in the late summer. It is proverbial that it is very windy there in the early summer, but there is a good deal of mistake, I think, about that. I have not known of a hurricane to blow there, but I have known it to blow. In isolated instances I have known it to blow there just as hard as I have ever known it to blow on the Spring Valley property. I have known it to blow equally hard in Burlingame, Los Altos, Palo Alto, everywhere. There is no locality that I have found anywhere, from San Francisco to Santa Cruz, outside of little canyon points that is absolutely protected at all times from the wind; they might blow at any time. To a certain extent the presence of high winds is inherent in the situation that exists on the peninsula. High winds must not necessarily prevail on this peninsula. In my opinion there are districts in such a country which can be comparatively free from high winds. There is a little strip in the Spring Valley lands that is compara-

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tively free from wind, and which lies from just south of the point directly opposite the cottage over nearly to Rock Circle. Other favored localities are the Woodside and Menlo country, the Stanford University country, and the Los Altos country and Saratoga are practically free from high winds. There are times at Woodside when there are very strong winds that sweep down from the mountains, and there are times at Los Altos when there is a steady trade wind. There are times at Palo Alto when there is a trade north wind which comes off the bay apparently, and there are also times when there is a northwest wind.

3374 It is my opinion that the country around Easton is quite windy. The property that Mr. Elkins purchased is a very windy place. I have seen the trees in the gulches on his property, and they are fairly well protected by what I call the crest of the Buri Buri Ridge, and also the gulches. I understand his property runs to the first part of rather a large plateau that is right on the top of the Buri Buri Ridge. It is quite a bit protected because it is very full of gulches. To a certain extent the gulches on the easterly slope of the Buri Buri Ridge give a park-like appearance to the land, and I regard that as an attraction to the Elkins property.

3375 Comparing Mr. Kohl's property with Menlo Park, it is very windy, but comparing it with the Spring Valley lands, it is not as windy. I have been on the Kohl property a couple of times, perhaps in April and May, if I can recall correctly. I think there must be misshapen trees on the Carolan property due to the action of the wind. I don't think they would be as pronounced an example as those you would find on Parcel 90 to the west of it. Also on Parcel 90 you will find perhaps only one group of trees, but that group is very badly bent from the winds to the east, whereas on the Carolan property there are very many dense groves, not only of eucalyptus, but of oak, and the appearance of a single group in an isolated tract would not be as noticeable. I would argue that in all probability that there was probably better protection to make the trees grow on the Carolan property. The natural growth on
3376 the Carolan property is infinitely finer than the natural growth on Parcels 73 or 90 of the Spring Valley land which adjoins it. I do not say that the natural trees on the Carolan property are more beautiful than the natural trees on the Spring Valley land sloping to the east.

It is true of the Spring Valley country that the ridges that slope to the west are more often bare than those that slope to the east. As you go along the Woodside country to Portola, you see a very densely wooded hill on the right, and on the left you see oaks. You see scattering oaks through the valley and up some of the hills, but it gets scrubby when it gets up on the hills, which, in my opinion, is due more to the character of the soil, and the scarcity

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

of water than it is to the climate. The climatic conditions have something to do with it.

The following was read from the testimony: "Mr. Steinhart. "Q. Mr. Smith, you gave the valuation of Parcel 5-2; how does "that parcel compare with the lands you have sold in the La Honda "country?"

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"Mr. McCutchen: Which lands?"

"Mr. Steinhart: All of the lands of which he gave the average "selling price. A. In a general way it is comparable, but the La "Honda country is much finer.

"Mr. Steinhart. Q. In what way is it much finer?"

"A. It is better timbered, better fields, better climate, better "general location and environment, what we might call neighbor- "hood. It is more accessible. There are other things too you could "bring out, but that is enough."

The other things that I might bring out are the scenic character of the location; the general soil conditions as it appears to a man who does not know anything technically about soils; the lack of wind in La Honda. The location generally is better. It is a little hard to outline that without giving it any thought. It is there, and I can very readily show you why it is there if I take the time. In my opinion, and I have had considerable experience in selling estates, the La Honda country is a very much finer high grade of country. Its finer grade is due to the conformation of the country, the topography, the way the canyons lie, and the amount of available land for various agricultural and horticultural purposes; the number of streams which are there. The La Honda country is on a through highway, so that it is much more attractive to the purchaser. It can be reached from the coast and from the valley by numerous routes, all of them very beautiful and very scenic; it is well advertised as a beautiful location, and that helps. The existence of the virgin timber is a very great point. That is all I can think of at this time.

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Of country estates in La Honda there are the properties belonging to Mr. Pope, which is an estate in the making, and the properties standing in the name of Mountford S. Wilson. The properties belonging to Mr. Horace Hill. We have a contract on it to sell it.

Questioned by Master.

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It tends to make a neighborhood.

CROSS EXAMINATION BY MR. MCCUTCHEN.

Mr. Hanson has a little place of 40 acres, and there is a young lady by the name of Peters who has a piece of 26 or 27 acres along the creek.

The environment which is so very valuable circles around the Crockers and the Popes. There are no homes built, except Mr. Hanson's. The people who own the land make the neighborhood, although they live on the other side of the ridge. I do not think any of them have spent a night there, outside of Mr. Hanson, and that absolutely establishes a neighborhood, in my opinion. In my opinion, it is a fine climate. I have been there when there was a low fog, but I could hardly tell you how frequently. I have encountered them in the last five years about eight times, and I have been there in the last five years five hundred times, and I can only recall eight low fogs. I have seen the moisture dropping from the trees as a result of the fog over there, and I have gone over there in the summer-time when I have not seen that condition. I have seen the road damp as a result of the deposit of fog, but not very frequently. It is not the common experience to find that road damp from the fogs in the summer. I have driven over there when the fog was so heavy that you had to drive slowly for fear that you would come in contact with another machine. I have done that very often up on the ridge, but very seldom down in the valley. At the present time, that land is much more accessible in time, and the ease with which an automobile party can reach it. If the Spring Valley lands were to be sold in subdivisions, roads would have to be constructed through it, or it could not be sold. According to the type of development, the Spring Valley lands would then be more or less accessible than La Honda lands. That is according to the type of road that was put in they could be made more accessible, or they could be less accessible as they are today. This lack of accessibility was reflected in my valuations. I am quite familiar with the country at La Honda, and know the country from there to San Gregorio quite well. San Gregorio is a very foggy country, and I have always assumed that it was about 9 miles across ridges that prevented the fog from coming up to La Honda from San Gregorio. There is a canyon leading from San Gregorio up to La Honda, but it is tortuous. I have seen San Gregorio when it was not enveloped in fog. I do not know how often, but very often. I have seen it frequently when it was enveloped in fog, but I cannot tell you how often, but much more than the eight times that I have seen fog at La Honda. I have seen fog at San Gregorio when I did not see it at La Honda, but I would not care to hazard a guess as to how frequently I have seen it.

FIFTIETH HEARING.

OCTOBER 26, 1915.

Witness: NORWOOD B. SMITH, for Defendant.

Witness: JOHN C. HAYES, for Plaintiff in rebuttal.

CROSS EXAMINATION BY MR. MCCUTCHEEN.

The following question from page 3336 of the testimony was read: 3384
 "Q. What now do you call the Spring Valley lands, or which of the
 "Spring Valley lands do you say are comparable to the La Honda
 "lands? A. The ridge lands and the lands"—

There was an interruption at this point, and then this question was asked:

"The Master: Q. What do you mean by the ridge lands? A. I
 "mean the lands lying along the Sierra Morena Ridge which lie south
 "of Half Moon Bay Road. Mr. McCutchen, all the land is comparable 3385
 "to any other land that is suitable for the same purpose."

I do not know what I intended to say definitely in answer to the question when I was interrupted, but the idea is that all the lands, generally speaking, west of the Crystal Springs and San Andres Lakes, more particularly the Crystal Springs, are more or less comparable to what we call the La Honda lands.

(Certain correction noted on page 3288, volume 48 of the transcript.)

I began to operate in La Honda in the early part of 1911. I went into the real estate business with William Cranston in 1910. I am president of the University Realty Co. Mr. Cranston is Vice President, and I think Mrs. Cranston is at the present time Secretary. I have been president about a year, and Mr. Cranston was president before me. We fill two offices, alternating year in and year out. I bought and sold real estate before I formed that corporation, in Mill Valley and Berkeley. I was in the land department of the Southern Pacific Co. a little less than a year, but I do not know what my capacity would have been designated as. I was working under Mr. Everline's direction at the time. I had nothing to do with the sale of property. I had nothing to do with the sale of property when I was with Vickery, Atkins & Torrey. My experience as a real estate salesman dates practically from about the first of 1911. My familiarity with the peninsula properties of the Spring Valley Water Co. extends back to 1897, and I have had the familiarity which is gained by going over them, through them, and at times picnicing on them. I picnicked one place just a little north of the Husing property; also south of that property, and also west of the upper Crystal Springs Dam. I got there by driving in from Belmont, and across the upper Crystal Springs Dam. That was either the fall of 1897 or 1898, and there was no gate at that time. It is my recollection that the property was open so that the public could drive 3386 3387

3388 through there. I do not know that all of those properties were under fence, and lock and key, up to about 3 years ago. I am positive that I drove in through there, although I won't say that there was no gate there if you are so positive that there was. I drove across the dam, and got out by driving across the Half Moon Bay Road, which crossed the upper Crystal Springs Dam, according to my recollection.

3389 When I picnicked west of the lake, I simply walked upon the property, and I do not remember whether there were any signs then preventing trespassing. I should say that I was also on all that district along the Canada and along the Ridge Road prior to 1913. I didn't see Pilarcitos, except from a distance, until 1914. I saw portions along the Canada prior to 1913 that you cannot see at all from the road. It is in dense timber and brush. I saw portions all along there clear up to the West Union Road. My information was not gained from driving up and down the Canada Road alone, as I left the road and went on foot at times. I might say that in the matter of valuing the land, the points that I could reach prior to 1913 were negligible, although the information that I gained aided me in valuing the land as any general information aids, but it had nothing to do with what I knew the lands to be worth when I went over them for their appraisal.

3390 I spent approximately 4 months in making my appraisal, one month of which I spent in our office, and in the County Recorder's office. When working in our office, I was assembling the figures. This appraisal which I read, and scattering notes that I have were partly made there, and of course all the final appraisal was made in my office; the dictation was done there, and also the typing. The final appraisal was dictated just about the time that the election came up last year, and was rewritten, I think, in June, but not after Mr. Baldwin and Mr. Hoag had testified. I have not made a single change in my figures since they testified. I should correct that, because we made a couple of changes here, due to some apparent errors, but with that exception I have made no changes in my figures or descriptions. I do not keep a diary, although I may have when I was a youngster.

3391 I have not done so since I have been in business.

I know very little about the history of the Spring Valley properties, although I have picked up a lot of general history, which is all more or less hearsay. This general history did not include information that those lands were at one time occupied as country homes, but in that respect included information that the lands were in part farmed. I remember the name of Maynard, but beyond that I do not remember anything. I have heard of the residence of Sherwood. There were certain homes in the country, but they were more homes on farms and ranches. I do not connect the name of Cassidy with any information I picked up.

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Questioned by Master.

Of the two months in the field, I mean that that is the total of the time spent, but the larger part of it is consecutive time. Between 35 and 45 days' work, consecutive time, interrupted only by the very few times we were driven in by the fog or rain.

CROSS EXAMINATION BY MR. MCCUTCHEEN.

It is my recollection that I was driven in only once by fog, and once by rain, though there may have been other times. I reached the property in the morning anywhere from 7 o'clock to 9 o'clock, and remained in the evening from 5:30 to 8 o'clock. That was in March and April of 1914. These properties could be used for country estates to be occupied throughout the entire year, but I don't suppose I had that in mind, because there are few of the places which are in a measure similar to the Spring Valley lands that would be in competition with them, were they placed on the market, which are occupied all the year. I do not consider the residences at Easton and Hillsboro comparable. I understand a great many of them are occupied throughout the year, but I have no personal knowledge of it.

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Some of the Woodside properties are occupied throughout the year, which are comparable to the Spring Valley properties. Some of the people who live in Woodside live there the entire year, and some of them do not. I have no idea what the proportion would be.

It is my opinion that the district which is south of a line approximately a quarter of a mile north of the north line of the Claffey tract, and extends southerly to about the north line of the Spring tract, and more particularly that portion of the district lying west of the Pulgas grant line, but also in a less degree east of that line, is rather a favored district. It is a very much inferior climate, in my opinion, to the Menlo district. It is windier and colder, although it has been my experience that it gets quite cold in the Menlo district. I have seen the ground frosted in the district I have described on the flat of the Husing property, when the ground was not at all frosted down in the Menlo district. That was in the winter, but I do not remember the exact time. I do not know what the frost seasons are in the Menlo district. I said that the ground was frosted on the Husing property; what I mean by that is that it was partly frozen. By frosted, I mean where it crunches when you walk on the ground. There was no grass there; it had been plowed.

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I said there was a draft down the Preston Canyon where the La Honda Road goes up; then the climate was in my judgment very good, until you got down to the lower end of what is called the Portola Valley, and very near the Law property; there is a strong draft down what is called the Ham Gulch, which is the gulch directly west of the south end of Mr. Law's property. That strong draft affects certain parts of that locality. It affects the front part of Mr. Fitzhugh's

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property, but not the back part. That unfavored locality is less than a quarter of a mile from the Rengstorff property. It is my judgment that a portion of the Rengstorff property is in a somewhat unfavored district. In speaking of an unfavored locality, I speak comparatively, having in mind the balance of the Woodside country, which has a very fine climate. I would not say that this particular portion where this draft is, and which includes the Rengstorff property, is not as favored as the section including the Claffey property, and going south to the Spring property, because I have never given it any thought.

3397 I sold the Rengstorff property for \$15,500, and I think there was 265 acres. The sale was closed in March, 1915, transferring from Mrs. Rengstorff to H. E. Law, for \$15,500, the tract of land, and the deed called for 260 acres more or less. If there were 10 acres in the Brown property, that would mean 255 acres in the Rengstorff property for \$15,500, but that was problematical, because there were very grave questions as to where the Brown line ran.

3398 The Claffey property, Parcel 191, I appraised at \$16,455.70, or \$36.63 per acre. I have apparently valued the Claffey property at about 60% of the price at which I sold the Rengstorff property, and I think that is fair, knowing what Mr. Law wanted the Rengstorff property for. I stated that the Rengstorff property was comparable to portions of the Husing property when we looked at the Rengstorff property from the road. When we got up on the hill where we could see it, I stated that I intended to say that it was comparable to the back part of the Husing property. It is comparable to the whole Claffey property. The market value of the Rengstorff property is 3399 presumably what Mr. Law paid for it. I have sufficient information to enable me to make a comparison of the two as to market value. If you were to ask me what the market value of the Rengstorff property might be, I would have to make an allowance for the special purpose for which Mr. Law desired the property. Mr. Law wanted the property for two other purposes; it was the last large property for sale in that neighborhood, and it was in rather a well developed district. It was in a better district than the Claffey property on account of being in a better climate. Part of it was affected by a strong wind, but the higher property is not, and there is quite a little plateau, and a very fine knoll on it, and several beautiful waterfalls, and comparatively speaking, a great deal of large redwood timber. It is a very attractive 3400 spot. In my judgment, it has a better climate than the Claffey property.

Hayes

JOHN C. HAYES, for Plaintiff in rebuttal.

DIRECT EXAMINATION BY MR. MCCUTCHEN.

I reside in Chihuahua, Mexico, and am the manager of Mrs. Hearst's properties in Mexico. The business is stock raising princi-

pally; cattle, horses and sheep. I have been representing Mrs. Hearst in that capacity for 12 years, and prior to that time was in the cattle business in California, in Alameda and Santa Clara Counties. There are some 60,000 head of cattle on Mrs. Hearst's ranch in Mexico. When I was in the cattle business in Santa Clara and Alameda Counties, I was in business on my own account.

I know the lands of the Spring Valley Water Co. to the east of Calaveras Valley very well, and have been over them many times. I know the lands in the Arroyo Mocho, and have been over those lands and had cattle on them. I have had cattle on the Calaveras lands, and consider the Calaveras lands very much superior for stock raising over the Arroyo Mocho lands, because they produce a greater quantity of feed, and are very much better watered. The Arroyo Mocho lands do not produce a good crop of grass every year, due to the lack of rainfall. There is very much more rainfall in Calaveras on an average than in the Arroyo Mocho country. I regard that excess rainfall in Calaveras as an advantage from a grazing standpoint.

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CROSS EXAMINATION BY MR. STEINHART.

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I was in the Calaveras country in September of this year for several days, delivering cattle. I was with the Parks and Beverson, and a representative of the Western Meat Co. I was on the particular country east of Calaveras between the Alameda and Arroyo Honda Creeks and south of Arroyo Honda, and east of the Calaveras Valley. My memory is not as good as it might be, but I think I was in Sections 21 and 29.

My cattle used to run in Calaveras a good deal. I first grazed them about 12 or 15 miles east of there in the Arroyo Valle country. I had some 13 or 14 sections, and ran about 1,000 head. They ran outside of those sections, too, probably on as many as 50 or 60 sections outside. Practically all of the Calaveras country was run over by my cattle, as they would stray over there, although it was not part of my range.

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I have been in the Calaveras country half a dozen times probably during the present year, as we had cattle running there. I went over all of the range which is now east of the Parks Bros., and spent probably 5 or 6 days there altogether. They lease from the Calaveras Valley east as far as Section 35, I think, and between the Alameda and Arroyo Honda Creeks. The sections that would be between those points I have mentioned, Calaveras Creek and Section 35, on the Oak Ridge country, were the ones that I went over then. I do not remember the dates that I was there, as I was there at different times, and spent from one to two days each time I went. I spent three days the last time, which was in the early part of September of this year. Prior to September I think I was in there in February, April and July of this year, although I am not quite sure of those dates. Prior

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to then I have not been in there for a great many years. I was in the Mocho with George Devani, my partner, in March of this year. A firm in which I am interested have some land under a lease there, and we went up to look at the feed. I do not know what we paid for it. We lease it from Mr. Gallagher, and there are two sections under lease, I think. At times we have no cattle at all there, and I do not think we have any there now; at other times we have perhaps as many as 300. I know very little about my business in California, as I leave it to my partner. I was in the Mocho country at that time probably only a few hours. I got there from Livermore in an automobile in about an hour. When I went to the Calaveras country I went from Milpitas in an automobile in probably half an hour or less. I think it is probably 10 or 12 miles from Milpitas over the hill into Calaveras and over to the east side. To the point to which we went in the Mocho country, I think it is 15 or 18 miles into Livermore. We went to a camp we had there on Section 13, Township 4 S., Range 2 E.

I have not been in the Mocho country for a good many years prior to my visit in March. It is probably more than 5 years. I said that the Calaveras country was better watered than the Mocho country, but I did not say that there was not water up in the Mocho country. There is a heavier rainfall, and there are more springs in the Calaveras country than in the Mocho country. I do not know how many springs there are in the section that we have in the Mocho country. I do not know how many springs there are in Section 14 in the Mocho country. The Mendenhall Springs are in the Mocho country. I do not know how many springs there are in Section 10 of the Mocho country, and I do not suppose anyone knows how many springs there are in the land I am leasing.

RE-DIRECT EXAMINATION BY MR. MCCUTCHEN.

I was in the Calaveras country in February, March and July of this year for the purpose of looking at our cattle to see how they were coming on, as we had cattle on that range at that time.

Smith

Witness: NORWOOD B. SMITH, for Defendant.

CROSS EXAMINATION BY MR. MCCUTCHEN.

I have had sufficient experience with the country to make a comparison as to climatic conditions between the Claffey property and the Rengstorff property, and it is my opinion that the climate on the Rengstorff property is a more livable one than the climate on the Claffey property. I described the district in which the Claffey property is located as favored, compared with the district north of it.

There is a portion of the Spring Valley property—and that is the portion where the Claffey property lies—where the climate is much

better than the rest of the Spring Valley land, and is very good. I intended to give the impression that the climate where the Claffey property was is fine as compared with the northern district, but not fine as compared with the southern district. There is a portion of the Rengstorff property which is, at certain seasons of the year—mostly when the trade winds blow—subjected to a very strong draft down the canyon. I don't think that I said there was a portion of Mr. Fitzhugh's property that was subject to very strong winds. There are times when it blows high there, but not as often as in the gulch southwest of Fitzhugh's property. I said that the back portion of the Fitzhugh property was very well protected by a knoll which is on the front property. We can assume that if the knoll was not there it would be subject to the sweep of that wind, but we do not know. There are times when there is quite a wind there, but I do not know where it goes. It is probably the same wind that goes across into Los Altos.

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I said the wind was not very strong at Los Altos, but that it was steady at certain seasons of the year. You only showed me one photograph that was a photograph taken at Los Altos, and the idea that it showed was exactly the kind of a tree that one would expect to find under the conditions existing at Los Altos, or existing in certain locations of the Los Altos country, which, to a certain extent, I tried to define.

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Referring to "Plaintiff's Exhibit 55 for identification": I don't remember what I said about that tree, but from the individual tree it looks like a strong wind, but not nearly as strong a wind as is shown by two or three of the pictures that were taken on the Spring Valley land. The reason I say that is, that in this case the foliage, on the windbeaten side is more or less full and luxuriant, whereas if it were a strong or high wind, the twigs would be short, crooked, deformed, and more or less stripped of their leaves.

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I think that the trees, and every bit of foliage of all the trees shown on page 1 of the book of photographs indicates a much stronger wind than the picture you are holding, which is marked "Plaintiff's Exhibit 55 for identification". That tree in this picture might be in a location where there is what some people might consider a very fine climate. I do not say that I am an expert in matters of this kind. The pictures would show wind-swept trees, and where a tract of land contains trees which are apparently wind-swept, you either have to prove that it is not due to high winds, to the satisfaction of the prospective purchaser, or you have to overcome the presence of those winds by other points which might be in favor of the land. I would not have given the Spring Valley lands anything like the price I did if I did not believe that there are points that might outweigh in the mind of a purchaser the presence of wind-swept trees. I do believe that. The conditions which will outweigh such a condition are different with every parcel of land you submit to a prospective purchaser. Parcel 90

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has a small group of trees, excepting along the shore of the lake, and the presence of high grade estates which back into it, even though they are the back part of the estates, adds materially to the value of that land. That is one very pointed illustration. Other conditions are the use to which the land can be put; ideas that the purchaser may have; location; accessibility; good foliage condition; for instance dense groves of trees that would protect the prospective building site, and therefore the climatic conditions, with particular reference to wind, would be negligible.

I remember the Burke property, parcel 164, and there are portions of it that are very beautiful. The yellow hill is not particularly attractive, and that constitutes a little less than one-eighth of the tract. I cannot tell you from memory how much of it is beautiful property, although I have gone over this property so often that I know it all pretty well. As a guess, there must be 80 to 100 acres out of 429, or approximately one-quarter of it, that I consider high-grade land. The opinion as to the land is well considered, but the opinion as to the acreage is not. I do not care to rely on my memory to say how much of that is high-grade property in regard to percentage. I should say there are close to 45 or 50 acres in the yellow hill and in the land affected by the hill, or which slopes toward the hill both ways, up and down. Some of the property immediately in front of that yellow hill, and sloping away from it, is the most miserable low-grade property on the peninsula, and some of it is high-grade. In putting my value upon it I treated some of it as low-grade property, but I am afraid I have given it a higher value than I have given to some low-grade property on the peninsula. I didn't say that it is the most miserable low-grade property on the peninsula that proceeds from the bottom of the hill down toward the valley. I said there was a part of that that was miserable land, and a part of it that was very beautiful and fine land. The miserable and low-grade part starts where the oak trees end, and it slopes up quite precipitously. Parts of it are covered with dense chaparral, and I am now speaking of the yellow hill and the properties that slope down toward the grant line. I do not think that the 45 acres in the yellow hill include all of this miserable and low-grade land. To the best of my recollection, I graded that differently. In the 45 acres I think there are several grades of land; at least two. I would hardly characterize any of the rest of the land as miserable. I think that the only miserable and low-grade land in the parcel is within the 45 acres that include the yellow hill.

The remaining 409 or 419 acres has a number of different types. The back portion at the southeast of the tract is a canyon, or small draw that runs up from just north of Rock Circle; from the canyon to the back line, and adjoining the Holberton property, there are very nice, open fields. The lower part of the canyon is very prettily wooded with oak. There is a nice little knoll down in there that is

fairly well wooded, although the trees are a little bit scrubby. The part northerly, along the westerly line of the parcel, and lying between the lowest portion of the yellow hill and its slopes, is very high-grade land comparatively speaking; it is not nearly as fine as some of the land of the Searsville lands of the company. This is a very nice strip of land that runs along the grant line, and it is the highest grade of property there is on Parcel 164, in my judgment. Further north, the north and greater portion of the tract is comprised of large, open fields, with occasional groves of oaks; at the back, high up, there is quite a plateau, exposed to the strong winds, but apparently a good field; it would tie into the lower land to very good advantage. There is one point on the northwesterly portion that has quite a knoll, and unfortunately, from a scenic point of view, it is fair, but the view is very fine; but it is such a very small portion that it has but small effect on the tract.

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I have three photographs of the Beatty piece on the Canada Road. These pictures were taken long before I was employed to appraise the Spring Valley lands. This piece adjoins what is known as the Bassetti piece, and is very much finer.

Parcel 208, Bassetti piece; commences at the Canada Road, runs back over the hill, and down to the West Union Creek. The front part is rolling. Quite pretty, but has a few scattering white oaks; there is one dense grove of live oaks and brush; the oaks are comparatively scrubby; the soil does not seem to be so good, as the growth is never as good on the front of the property. The top portion, which is something of a plateau, though not very extensive, is very poor in appearance. The rear portion is quite precipitous from the upper plateau to a sort of bench which lies at the back of the property before you drop into the West Union Canyon, and is so steep that it would be quite a bit of work, and costly, to run a road back; in other words, the rear portion which is perhaps the most attractive from a scenic point of view, is to a certain extent lost to a purchaser because of this difficulty, which could be overcome, but at a considerable expense. The plateau, which is just above the West Union, is not perfectly flat, but slopes a little toward the creek; it is quite heavily covered with woods, oaks in particular, though the growth is not very good or fine. The land along the creek is picturesque, though not very extensive.

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The Beatty piece rolls back in very much the same way from the Canada Road, excepting that the general dip of the front portion of the land is southeasterly, whereas the general dip of the Bassetti piece is northeasterly. The Beatty piece has quite nice groves of live oaks, and some white oaks included on the front portion. I never counted the number of live oaks, but there are a great many on the front portion of the property. There is a small canyon, up which an old road runs clear to the top and down West Union Creek; the appearance of

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the front portion of the property is much more attractive; the back portion is very much better wooded. Instead of a steep hill, such as the Bassetti piece has, the slope is gentler and ends in a comparatively usable flat right along the creek, which is very prettily wooded with second growth redwoods, the trees in some instances being 18 inches in diameter; these redwoods afford quite an attractive future to the land. Generally speaking, the Beatty property is a higher grade property in my judgment than the Bassetti property. I should say it was worth two and a half times as much, although I would want to go over it a little more carefully. It is my opinion that the pieces are worth relatively \$200 and \$80 an acre, particularly if you have the Beatty property for sale as an individual parcel, and the Bassetti property for sale in conjunction with the Scalmanini property. The Bassetti piece would be depreciated if you had to take in the Scalmanini piece with it.

3421 I valued the Bassetti piece as part of the entire 22,000 acres, and the Scalmanini piece the same, but that does not make it impossible for me to see that Beatty sale as a comparison. Using it as a comparison, you would have to know the relative, or approximately the selling prices of the two parcels, were they separate units. I think that if the Bassetti piece were not a part of the large tract, you could probably get a higher price for it, for the reason that the market is wider. That is the one first reason. There are others, but that is the most important. If the Bassetti piece were put on the market independently of the Spring Valley properties adjoining it, it would probably sell quicker and at a higher price than the price I have put upon it than the Beatty piece would sell at \$250 an acre. How much more it would sell for if it were put on the market separately, than the price I put upon it, is speculative, because a man cannot tell what will happen, if other things have not happened—after they do happen.

3422 My opinion is that it would sell for \$100 an acre, if it were put on the market independently, and I have valued it at the price I have put upon it because it is a part of the Spring Valley property, and has to carry with it the 22,000 acres, more or less.

3423 Assuming that this property stands by itself, and adjoins the Beatty property, you could get \$100 an acre for it, and it would only be worth 50% as much as the Beatty property, which would be \$200 an acre.

3424 On our inspection trip we stopped in front of the property, but I made no suggestion that it was necessary to go upon the two properties in order that the differences might be appreciated. I was decidedly careful to make no suggestions unless you indicated that you would welcome them.

I have put a value upon the narrow strip of land marked 105 on the map, and I valued that piece at \$236 an acre. I think it is about a quarter of a mile, or maybe less, from the Bassetti piece.

There are two small ravines there that come down and join and run down in one. It has some very fine growth on it. There is a strip of willows along the front part, but those are hardly beautiful. The beautiful part is that which runs to the top of the hill. It runs back to the ridge of hills which is the dividing line between the West Union watershed, and the watershed which when continued northerly over the divide of the Bassetti piece, constitutes the Crystal Springs. If I appraised 208 at \$75, this is worth \$236 per acre. This property is a little close to the Sherwood property that sold for \$500 an acre, but I think the Sherwood property is further from it than it is from the Bassetti property. I am quite sure of it. It is quite a considerable distance further north from the Sherwood property than the Bassetti property is north from it. The distance from the Sherwood property to this narrow strip is just about half a mile, and in that particular half mile it is possible that there could be even a greater difference than 100% in value. This narrow strip is over into the Woodside watershed.

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I have never made an appraisal of the Sherwood property, but I understand that it sold for \$500 an acre, and I have no reason to doubt it, but I have no reason to believe it is worth that without going over it. I do not think that the Marchand property is very attractive. It is what I classify as low-grade property, but as compared with the yellow hill, it is high-grade. It is very much inferior to portions of Burke tract. You cannot compare the Marchand property with the Burke property, as they are too different. All of the Marchand property is low-grade property. It is very steep and gulchy, but that does not apply to all of the Marchand property, although it applies to all that I showed you. It is very difficult, and practically impossible to compare the Marchand property as a whole with the Burke property as a whole, because they are very different in type; one is low-grade property, generally speaking; the other has very low-grade property on it, and very high-grade property also. The Marchand property sold for \$76.33 per acre, and that is apparently just about what I valued the Burke property at, but you cannot compare tracts by their average value. In my opinion, the Burke tract is not worth one dollar more than I gave it, and the Marchand tract was not worth what Finckler paid for it to anyone but Finckler. My opinion is that the Burke tract is worth more, acre for acre, than the Marchand tract. I would not say how much more. It depends on how badly a man might want the Marchand tract. It is too speculative to assume that a man wants the Marchand tract badly, and then say how much more the Burke property is worth than that. Finckler thought it was worth \$76.33 per acre to him.

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I would have to make a much more careful appraisal of the Marchand property before I would state how much more the Burke property is worth than it is acre for acre. I can use the Marchand

sale for comparison because if anything, it is very favorable to the company. I do not care to commit myself about another man's property until I have been over it, and then I can tell you how much it is worth acre for acre. I wanted to go up the hill to look at it for two purposes; I wanted to see the back part of Parcel 202, and other Spring Valley lands, and to get an idea of what the character of that heavily brush-covered hill was. I wanted to have you see the Holberton property, and the upper plateau of the Marchand piece. I introduced the Marchand property for the purpose of simply calling attention to one sale that had been made and which threw, to a certain extent, light on the value of the Spring Valley properties.

Questioned by Master.

I didn't use the Finckler sale at all, and didn't know the price until after the appraisal was completed. When I learned the price, I talked with Mr. Finckler relative to the circumstances, and I had a letter from him, and the reason that I mention the letter is that I had submitted the property to him at a less figure, and he explained why he did not close the deal through me. How you can use the Finckler purchase is, to a certain extent, problematical, excepting as it gives a general bearing on what land of that type may sell for, if a man needed or wanted it for some special purpose; you would have to decide how much that special purpose would influence you.

CROSS EXAMINATION BY MR. MCCUTCHEN.

The fact of properties being pocketed does not always reflect itself against the sale of the property, as it may be the key to a situation when it adds a tremendous value to the individual parcel. If a parcel were in a neighborhood that were inactive and permanently withdrawn from the market, and property of that kind were on both sides of it, that would reflect itself against the market value of that portion of the large tract which was withdrawn from the market. If property were laid down in the middle of a large tract which was permanently withdrawn from the market so that there could be no neighborhood or environment, it would make a great difference in the sale value of the property so laid down. If it were surrounded on three sides by a large tract of that nature, special conditions would regulate and determine whether the values were diminished or increased. The Linehan property I should say was worth more to the holder of the large tract than to anyone else in the market, and if Mr. Linehan wanted to sell the property, the fact that it was surrounded on three sides by the Spring Valley property would be reflected in the price he would receive, but if he wanted to sell it to the company, its value then would be increased. If the company did not want it, and he had to get his market outside, the fact that it was surrounded on three sides by the company's property would be reflected in a higher price than he would get than the real market value

of the land. He would get a higher price because the outsider might think that he could get more from the Spring Valley. Ordinarily, I would think that where property was laid down in a larger holding that is permanently withdrawn from the market, that it would tend to make the parcel worth more than the market value of similar land. I was thinking of the Linehan property.

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The Husing property was sold either the end of last November or the first of December, quite awhile after I put my valuations on this property. I made the valuation of this property in March and April, 1914, and I certainly reported to the City Attorney's office before November. Judge Fitzpatrick told me that the Spring Valley Water Co., or one of its officials, had bought the Husing land, he thought, and that they had paid \$125 an acre for the entire tract. I went to Husing, and talked to him, and got some information. I said to him, "What did you pay for that property when you bought it from the O'Connor girls?" He hesitated, and I said, "\$24,000, wasn't it?" This was on August 29, 1915. He said, "No, I got more than that. I paid more than that", he said; "I paid, I think, \$30,000 for that property in 1909". I said "You got \$125 when you sold it". He said "Well, I have been dickering with the company ever since I bought it, and they had to have it, and I put the price of \$150 an acre on it, but they never would see it, and they were a richer corporation than I was a man, and I could not hold out against it, and I let them have it for \$125, but of course I don't know that they bought it". That conversation took place in his office in San Mateo. He said he did not deed it to the Spring Valley Water Co. He said that Mr. Pringle was the man to whom he deeded the property, and he might have used words that could be construed to mean that the Spring Valley Water Co. was not the buyer. I do not know what impression I wanted to give, except just as my word gave it. He said that the company was stronger than he was, but he did not say that he had to submit to the company. I do not remember him saying that he would not have sold it to the Spring Valley Water Co. It is possible that he told me that he would have sold to the Spring Valley Water Co. for that price. I knew of that sale before I testified here, and I testified to other sales that had a bearing upon the value of property in the locality. I do not think that this one has a very good bearing on the value of property.

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I testified to the McFarland property as reflecting values on these properties adjoining the Ridge Road, but I do not recall saying anything about the Husing sale. It did not have a very material bearing on the market value of what lands of the same type as the parcels on either side of it might be worth. The Husing land is very much superior to the parcels on either side.

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I recall a conversation that took place on the inspection trip, in which Mr. Lawrence stated, we were on the Husing property, but I do

not recall that his Honor said anything about its being like the property on the two sides of it.

3440 The upper portion of Parcel 191 to the southwest, and nearer the ridge, was increased in value because of its being connected with the large tract, whereas, perhaps two-thirds of it would be valued on what you might call a wholesale basis rather than a retail. As to what it is worth per acre would depend upon how the gradations of the property would work out after going over them, with the fact in mind that it was to be sold as a separate unit. If it were to be sold without any notion of subdividing it, the same thing is true. The parcel has a number of different types of land in it, and an approximation in the matter of acreage in each of those types, if it is being sold as a single unit, would undoubtedly have a wider market than if it is being sold as a part of a 22,000 acre tract, consequently you would be able to sell it within the same reasonable time at a higher figure than if it were attached to 22,000 acres. I have valued it as being attached to the 22,000 acres. In order to state its market value—separating it from 3441 the 22,000 acres, I would have to go over the land. It would be approximately somewhere between 33 1/3% and 50% more. This land was acquired, I understand, in the form of the parcels we have used. To get at its value, I did not treat it as a whole, and then make a deduction for its being resolved again into subdivisions. You start with a retail value, and reduce your retail value according to your line of reasoning. You have to consider that each part of the land you are looking at, whether it is a natural subdivision or an artificial one, is a part of a large tract, and you have to consider how much overhead the high-grade stuff has to carry; in other words, you are considering a wholesale proposition, and not a retail proposition, where you have only the good stuff, with perhaps only a little tare.

3442 I have valued this property in approximately as many subdivisions as there are on this map. In about 200 of the watershed lands I have not valued the property just as if it were now divided into those 208 or 210 subdivisions. I have given a value to the tract, and not to the 208 subdivisions. I have given a value to each subdivision as a matter of convenience in referring to them, and it represents the value of the individual parcel in conjunction with all the other parcels. I graded the land, and gave a value to each natural subdivision, or topographical subdivision, as nearly as seemed best, in my judgment, to do so, and whatever proportion of those fell within the lines of these parcels was given to the parcel.

3443 Referring to Parcel 164, I would not say that the figures I have placed on it represent its value disconnected from the remainder of the property. It represents its value in connection with the rest of the property. I am not prepared to say that it is much less than it would be if I considered it alone, although I said it with reference to other property. It is not a doctrine or a rule. I said in some instances

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

the value was increased, and in some cases decreased because of this connection with a large tract.

The value of the entire tract is the sum of the values of all the parcels, but when I say that I have said the value of the entire tract is not the total of the values of the separate parcels, it is inaccurate unless you specify that what you have in mind when you refer to separate parcels is the separate parcel of a separate unit, for sale as a separate unit, and capable of being so sold. Assuming that this is true, and the property is capable of being sold as a separate unit, my values upon them do not represent the market value. They fall short of the market value somewhere between 25 and 50 percent, according to the type of the property.

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Questioned by Master.

Referring to 49, next to the Husing place, at the head of the upper Crystal Springs Lake; assuming that a piece somewhere else of fairly similar acreage and entirely comparable to that, was sold at \$20 an acre, there is no definite formula that you could use to connect that with this Parcel 49. It depends very largely on a man of experience in handling that particular type of land. Supposing that 49 were down in Woodside or La Honda, so that piece for piece a photograph of the two pieces would look identical, and communication and all that sort of thing were identical, and that other particular piece were sold at \$20 an acre, I would value 49, in all probability, at from 33 to 35 percent less because of the co-sale valuation.

CROSS EXAMINATION BY MR. MCCUTCHEN.

I do not recall having stated that looking at a large piece of property I could not place a value upon it of more than 50 percent of what it would be worth in subdivision. I have not frequently stated to people to whom I have talked about subdivision of real estate that a man who is buying for speculation cannot afford to pay over 50% of the retail value in subdivisions. The difference of 33 to 35 percent, which I gave in answer to the Master's question, was purely a matter of judgment, based on experience. I cannot give a particular item of my experience, and use a ratio; I have to use the average of my experience, and it is the average of my experience that there is a difference of from 33 to 35 percent between the wholesale and retail values in such a case as the Master brought up. It runs sometimes as high as 50%.

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I do not think that the Spring Valley properties, if they were owned in the separate, individual parcels in which I have valued them, would have a market value twice as great as the aggregate of the values I have placed upon them. I doubt very much if they would have a market value 75% greater than the aggregate of the values I have placed upon them. I am quite sure of that. A market value of 50% greater is closer, but I am not sure that they would have that much.

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3447 The piece to the south of the Husing property if owned separately, and apart from the other property, would be worth approximately 50% more, as a guess. The figures that I have put upon these properties are what they are worth as a whole. The entire watershed is worth whatever I have given as the appraisal, but for the purpose of easy reference in court, we have used these parcels. That is absolutely reconcilable to my answer that the parcel below the Husing property would sell for 50% more than my figures, if it were owned separate and apart from the other properties, because there are certain parts of the land I would not have appraised as high as I did. I have particularly in mind the land which lies to the northwest.

3448 You cannot determine my rule or ratio, and that is why I say you have to use an approximate value of from 25% to 50%. I do not know how much I put on these lands to the northwest because they were owned with the other lands. I didn't suppose you would have to ascertain that. I graded all these lands, and I put prices on them, but I do not know how much I added to any one of these lands to the northwest because they were part of this entire tract. I didn't have that in mind on the ground.

3449 I know, positively, that Parcel 101 has not the value of \$15 an acre, except in connection with the rest of the land. There is absolutely no question that Parcel 106 has anywhere near the value I have put on it, excepting in connection with the rest of the land. Parcel 12 is another case where there is not a question in my mind. I cannot recall that there is any different ratio, but I am quite sure that it would never have been appraised at that value had I not known it was part of the entire tract. It is unquestionably true of Parcel 5-2. I cannot say whether I put any part of these \$600 an acre at which I valued the part of 5-2 which includes the Stone Dam because it was a part of an entire property. The property around the Stone Dam to which I gave \$600 an acre is a beautiful piece of property, but it would not be worth \$600 if it were an isolated parcel owned by one person, and bottled up in there. I put a valuation of \$600 an acre to arrive at a fair valuation of the entire tract. I knew what that land was worth, because it was a part of the whole thing. In other words, it was accessible over the same roads that existed, and there was no possibility of gates shutting it off. It is as accessible as any of the canyon is. When I put that value of \$600 an acre on that Stone Dam, I considered it as a part of the whole, absolutely. I do not know that its association with the whole makes it worth \$600 an acre. The relation of this Stone Dam property to the remainder of the property is that it is a fine part in the center of the tract. I made those individual gradations to arrive at the total value, not knowing that they would be used at all, ex-

cept by myself. I did not know that we were going to divide it up into the parcels that the company used.

When I went about the valuation of this property, I did not go over the whole tract and place a value upon it.

Questioned by Master.

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We were given in the first place the county map, and I made an appraisal of the entire map and the contour map; I afterwards rearranged the appraisals, which were by sections, or by other means, to fit this map. That was a considerable piece of work; it practically meant a re-appraisal of the land this spring; but it was exactly on the same basis. The same values were used; it was just a matter of apportioning gradations where the lines cut across.

CROSS EXAMINATION BY MR. MCCUTCHEN.

I do not think that the Stone Dam acreage, on which I put \$600 per acre, has any particular relation to the Claffey tract. I could not give any ratio of relation between the Claffey tract and the Stone Dam, but it has a certain relation. When I put the \$600 per acre on the Stone Dam tract, I do not imagine I had the Claffey property in mind, unless as an integral part of the whole tract. On the trip, I may have pointed to certain parts of that property. It is a fact that land has to be graded to arrive at a fair value of it. I do not think that I stated that it was impossible to value it in any other way, or that I made that statement several times on the inspection trip. I may have said that I did not think an accurate value may be arrived at as to any land without grading it. I graded the land for the express purpose of finding out how much of one grade of land there was, and how much of another, and when I got all through, the total would be the value of the property. I have already pointed out some tracts where I am quite sure the value was increased because of its relation to the rest of the property, but I cannot tell you the percentage that was added to it because of that fact. I have a pretty good knowledge of what the land is, and I know there were certain influences undoubtedly that entered into the value of that land. When a man is on land, that is the time to value it. This is the place only to give your deductions, or the results of your valuations. I worked on this in my office for four weeks, approximately. There were no additions or deductions made in the office on any of these pieces, because of their contiguity to other pieces. The appraisal was made on the land. When I went upon the land and measured off these various parcels into subdivisions, I put a value on the property then and there. In glancing over this sheet, I do not see any note of an addition or a deduction made because of a parcel's relation to other property; I know there are some cases here where it says, "Worth this only in conjunction with some other parcel", referring to something else. I know that

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occurs through here, but it would be very difficult to put my hand on the location. In those cases, I referred to an adjoining parcel, so far as this gradation was concerned. In the particular instance that I had in mind, the relation that I intended to suggest was of one property to another property immediately adjoining it. There were also cases where it would undoubtedly be clear that it was because it was in conjunction, not necessarily with the whole 22,000 acres, but the greater part of it. The portion which lies between the north-westerly and the easterly portion.

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The portion of the lands lying west of the lake has considerable relation to the portion lying easterly thereof, so far as valuation is concerned. If the portion lying on Buri Buri Ridge were cut off entirely from the portion on the other side of the lakes, the portion on the east side would be worth more. The properties on the east side of the Buri Buri Ridge are depressed in value, not because the owner has anything to do with it, but because it is a part of a large tract, and the market is restricted; whereas, if it were cut off, it would be a comparatively small area, which will easily subdivide or sell off in small parcels, and your market would be very much extended, and your land sell at a quicker rate at the prices given, or at the same rate at a higher price.

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If one person owned all of the 22,000 acres, and held it together for years, and finally decided to market that on the east side of the lakes, I do not say that the fact that he owned the property on the west of the lakes would have an unfavorable influence on the value of that east of the lake. The fact that one person owned it has nothing to do with it. It is the fact that it cannot be sold without the part on the west of the lake. It is not my understanding that you could not sell the part on the east of the lakes without selling that on the west at the same time, but my understanding is that the land has to be sold as a whole, and that is the idea with which I went upon the land to appraise it. If one person owned all of that land on the east side, and will sell for \$150 an acre average, and will sell that east side alone, he can get more than \$150 an acre, but if he wished to sell it in the same time as it would take to sell the whole tract, he could not get more than the rate I have given. One side does not affect the other. It is the whole thing that affects the time within which you could sell it.

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If a man owns it all and sold the westerly part apart from the easterly part, I doubt very much whether he would get more than my figures.

Referring to Parcel 73; it is what can be called, in a measure, pocketed, because you can only reach it either by going up through the Millbrae District, which is not an attractive entrance for as high-grade a piece of property as that, or you have to go down the highway, and up the San Mateo Creek Canyon to approximately the dam,

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

and then go back north. A man who resides on 73 would have San Mateo as his railroad station, and I imagine it would take between 15 and 25 minutes in an automobile to get from there to 73. I call that comparatively inaccessible.

I think the Talbot tract is the best individual piece of property in Woodside. Mr. Talbot, I imagine, would leave the railroad and take his automobile at Redwood City. It is four miles to the top of the grade, which is probably a quarter of a mile east of Newman's store. From there he would go straight over the Kings Mountain Road, until he struck the corner of the old O'Brien property, and then he would turn to the left and go over what they call the Mountain Road. That would take him about 15 or 20 minutes. I think it would take him only as long to go from Redwood City as it would take a man to go from San Mateo to Lot 73. Lot 73 is more inaccessible than the Talbot property.

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The John A. Hooper property is a very fine property at Woodside, and adjoins the Talbot property. He travels a little more than six miles from the station, and makes a number of turns. I think you will call his place more accessible than 73. The roads are better. I went along a road on top of the ridge that lead into 73 just back of the Carolan and Poniatowski places, but I was not told that that was a public road. The public road is the road that runs from 73 up through the Canyon and San Andres Dam. The Half Moon Bay Road is used very largely for the back doors of the big properties. I emphasize that because it shows the difference between the El Cerito and the Highland Park properties and those other parcels in there, and the screen tank lot. It was for the purpose of showing one of the elements which entered into the value of the screen tank lot. Undoubtedly there was a very slight effect on the screen tank lot, but it certainly was very slight, for the reason that the Half Moon Bay Road will some day become a good road. It is my impression that there are quite a number of entrances that lead from it that are rear door entrances, but I do not know the owners. I think there are quite a number of other fine places, the owners of which have to use that road in order to get to their property. I cannot give you any ratio at all on how much I depressed the screen tank lot on account of the fact that the road was a back door entrance.

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I suppose Mr. De Guigne reaches his residence along the Half Moon Bay Road, and Mr. Duncan and Mr. Driscoll probably do so along the same road. I know that access to those three places can be had in other ways. I presume that Mr. De Guigne would go over the best road always to get to his residence, and the Half Moon Bay Road is the best road to travel on.

I have known that San Mateo country ever since I have known the peninsula, and I know that the Half Moon Bay Road leads to

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most attractive drives. After they get tired of driving along the State Highway, they always go back into the Spring Valley country, and I regard it as one of the most attractive drives in order to get back of San Mateo. To reach that country, the Half Moon Bay Road is constantly used. I do not think that I said, in criticism of these properties of the Spring Valley Water Co., that they were reached by a road which I called a back door entrance to these places.

- 3462 When I stated that I considered the Waddell Creek land comparable to the Pilarcitos country, I meant that I consider any land which is in competition with any other land in the same market, as comparable. We have sold the entire Waddell Creek for a single country estate. For a man doing business in San Francisco, that would be comparable for a country estate. By automobile it would probably take him four and a half hours, but I cannot conceive of a man traveling back and forth every day from San Francisco to a place like that. He might do it from Pilarcitos if the roads were good. Nevertheless, the two pieces are comparable for country estates in the type of land, and country estates as a purpose. The salability of one with respect to the salability of the other is regulated first by the price element between the two lands, and then all the other elements that go to make value in land—the climate and other things.
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- If the Waddell Creek lands were on the market, and the Pilarcitos lands had been subdivided into tracts of from 5 to 50 acres, they would be in competition one with the other, but I do not think that the Waddell Creek lands would be available for all of the purposes for which the Pilarcitos land would be available. The Pilarcitos lands would be available for more frequent coming and going from the city. One might own a home there and travel back and forth every day, while on the Waddell Creek land one could have just as fine a home, but he certainly would not travel back and forth every day. The man who lived on the Waddell Creek might have apartments in the city, and spend week-ends and portions of the year on the Waddell land. They are absolutely comparable in some respects, and they would be in competition. If they were below Santa Cruz, my opinion would be, that they would be getting a little too far away from the city. The limit is a question of time more than anything else, and it seems to be growing continually. There are people who have their estates down near Santa Cruz. I believe Mr. C. C. Moore has an estate down there. I don't know Mr. Moore's land, and therefore, cannot say whether it is comparable to the Pilarcitos land for country estates.
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- 3465 You might say that lands in the immediate vicinity of Santa Cruz for country estates are comparable to Pilarcitos in some respects topographically, and for their uses. The knowledge of the

sale value of the Waddell Creek lands was merely one element in my experience which enabled me to fix my value on this property. The Waddell Creek lands are simply taken into consideration as a part of my experience. They are comparable lands to the Pilarcitos lands, and if they were all on the market, they would be in competition. I do not mean to say that knowing the Waddell Creek lands sale value that I was not influenced by that fact in fixing values on the Pilarcitos lands. It must have entered in, as it was part of my experience. To the extent to which I used the price of the Waddell Creek lands, I would say that it was in favor of the Pilarcitos lands, because of the very fact that portions of the Spring Valley land give the same impression, were high-grade, and yet were close to San Francisco, and consequently affected by the residential element; if there was any direct effect, it would be very much to the advantage of the Spring Valley lands. I cannot tell how it is a benefit to the Spring Valley lands any more than that it was intangible effect, if there was any direct effect; the sale of the Waddell lands, and the knowledge of all those prices of the various parcels going to make up that estate, simply affected my judgment as to the value of the lands. I did not intend to give the impression that acre for acre the Waddell Creek lands were worth more than the Pilarcitos lands, and it is obvious I did not, because I have appraised the Pilarcitos lands at more than the average sale price of the Waddell land. I do not think that the Waddell Creek lands may be eliminated for the purposes of my valuation. They ought to remain in as appearing in my experience. They have other importance because they are comparable, and because they would be in competition were the whole two tracts put on the market at the same time. The competition would be remote, but there would be a great many elements entering in. Some would not consider one at all, and some would not consider the other, but there might be people who would be on the fence between the two, and there the competition would certainly enter in. The following was read from page 3192 of the transcript: Counsel for Plaintiff asked how far the Waddell Creek lands were below Half Moon Bay, and the answer is: "A. I have not computed "that. Q. Well, about how far? A. I cannot tell you offhand; it "is the distance from Half Moon Bay to Pescadero plus 15 miles. "Q. In the neighborhood of 40 miles below Half Moon Bay, on the "coast? A. Well, I really cannot answer you as to the mileage. "Mr. Steinhart. Q. Is it on the highway, on the coast line? A. "Yes. Q. And this portion that you have described, is that land of "a similar type to the Spring Valley lands, or is it better? A. In "my judgment it is very much better. Q. In what way? A. It "is more picturesque, and has a better estate value."

I meant by that that it is a better estate value. It lies better to be unified into a single estate because it is a deep canyon, but com-

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paratively flat in portions at the bottom, giving probably 100 acres or so in the bottom of the canyon; the walls are very steep, and in some cases covered with timber. There is a complete isolation of the individual parcel that unifies it as a separate preserve. That is what I meant when I gave the answer that has just been read. I was not speaking of it as a ranch, as the Waddell Creek could hardly be so considered, although they do ranch a part of it. I intended to compare this tract in a remote degree of cost with the Pilarcitos Canyon.

3469 It is my opinion that the Spring Valley lands were most suitable and valuable for country estates. The land along the coast would be more salable than the Spring Valley lands in subdivisions if the price were the same and the circumstances the same, and the general location, and so on, as it is. If you bought the Pilarcitos Canyon at \$200 an acre, and the Waddell Canyon at about \$20 an acre, the Waddell Canyon would be ever so much more salable and would sell so much quicker. The Pilarcitos property is worth ten times as much as the Waddell property acre for acre, taking into consideration the conditions which exist, that is the relative location, and assuming that the Pilarcitos Canyon could be thrown on the market as a separate unit. When I say Pilarcitos property, or Pilarcitos Canyon, I have in
3470 mind the lands from the dam down the canyon on both the right and the left banks, as far as the Spring Valley lands go, taking in both sides of the canyon. On account of the difference in distance, by simply a guess, I would say there is ten to one in favor of the Pilarcitos property. The property on the coast is more beautifully wooded, and it has flats which are extremely attractive and which are lacking in the Pilarcitos Canyon, and it has a large creek also, which is of considerable importance. I give the Pilarcitos a value of ten to one as compared to that, because of the importance of proximity to a
3471 market. I did not use the Waddell properties pointedly at all, I simply had them in my experience.

In making these values, I assumed that the lakes were a part of the entire tract, and to certain parts of the tract I added from 104 to 105 percent for that reason. If the dam were removed, and the water allowed to flow out, I think the value I have given to the entire watershed would be reduced about \$100,000. I arrive at that
3472 by approximating the amount of land which is affected by the presence of the lakes, and that seems to be about 6,300 acres, and figuring about what the land would be worth which was submerged, if the lakes were not there, and in that way approximating it as a check to see whether the value of the submerged land which had been absorbed was sound. I have always understood that the lake was purely artificial, but I do not know of it of my own knowledge. I do not know whether there had ever been a small, natural lagoon there, and I never heard that there was. I do not admit my inability to state what the value of the property would be if the lakes

were not there, but it would be very hard to state it in regard to any one piece. Take the portion of Parcel 92, which includes Sherwood Point; I think I gave that about \$550 an acre, but I cannot tell what that would be worth if the lake were removed, because you cannot remove the lake from your consciousness. I am perfecting willing to hazard an opinion to the whole properties if the lake were not there, but not as to an individual parcel. I would not do it as to an individual parcel, because you can get a reasonably accurate idea by taking certain averages of lands which overlook the lake and similar lands which do not overlook the lake, and in that way arrive at an approximate ratio between similar lands. Taking a piece of land that overlooks the lake, but which does not adjoin it, and no part of which is submerged, I added to such land.

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Refer to Parcel 5-1, Map 2, which is just above the junction of the Pilarcitos Road and the road that runs down to San Mateo Creek Canyon. My recollection is that there is a point in there that was given quite a high value because of the beautiful view overlooking the lake. It has that high value as an independent parcel, but in conjunction with the entire tract. The rest of the tract has to do with that high value because the lake is on a portion of the rest of the parcel.

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I added to Parcel 191, Claffey property, because of this view of the lake, but I cannot tell you how much, because I appraised the land at what I thought it was worth in my judgment. I added something to that lower portion which has a very pretty view of the lake towards the cottage. I don't think there was any lake view from the Rengstorff property.

I sold the Halliday property, which has a lovely view over the Searsville Lake. That was sold by Mr. Sharon to Mr. Morsehead in conjunction with other holdings. The Halliday property was only 363 acres, whereas Sharon sold 382 acres for \$42,600, which was \$111 and some cents per acre. This property is very much more attractive than the Claffey property. The contour of the country, I think, is one of the principal things that makes it so; the growth, the location—which includes also the question of climate; there is also quite an area of very fine flat land on the Morsehead property, and there is no such land on the Claffey property. I got a valuation of \$36.33 per acre on the Claffey property. I regard the Morsehead property worth five times as much as the Claffey property. There is some steep property on the Morsehead property. There is quite a little rough and steep land in some of the gulches. In speaking of the Morsehead property, there has been a great deal of money spent on the Halliday land in developing roads which figured in the selling price. The flat land was included in the total price. There was no segregation. I do not know that it sold for \$385 an acre. The \$380 odd dollars was paid for the 19.92 acres, or whatever it

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3477 was which was sold for a piece of sky-line where Mr. Sharon wanted to have a bit of land at the very crest of the mountains. The \$385 an acre was absorbed in the price he paid, \$111 an acre. I am positive that the 19 odd acres at \$385 an acre was included in my total, which brings \$111 an acre.

3478 The facts were these: the land was sold to Mr. Sharon in two parcels, 363 acres, from Mrs. Halliday, for \$31,750. From Mrs. Dixon to Mrs. Sharon 19.92 acres for \$6,850. That is the parcel at the top of the ridge, and contains the sky-line and some springs. Mr. Sharon resold the land as a whole to Mr. Morsehead. The total acreage being 382.92, and Mr. Morsehead paid \$42,600, which included the usual commission to our office.

The Fitzhugh property has some features that are more attractive to me than the Burke piece, 164. I am satisfied that he paid \$20,000, and that there were 52 acres in the first purchase, making approximately \$400 an acre. There were special considerations in the Fitzhugh sale, as Mrs. Fitzhugh put up a deposit, subject to certain development along the line of wells, and that had to be taken care of by the seller. They thought they got water in the wells when they closed the deal, so that so far as the special consideration goes, it existed. The correct acreage there is 52.87. That particular purchase is not comparable, from a scenic standpoint, to the Burke property.

3479 Mr. Fitzhugh also bought that gore we looked at when we were passing where the creek runs through it. It says here 3.5 acres. He paid \$4,200 for that piece, which he got from Nahmens. Mr. Nahmens told me that he sold his 22½ acres to Mr. Fitzhugh for \$12,000, which would be between \$500 and \$600. The back part of that property is more beautiful than the Burke property. You can hardly take it acre for acre, because they are very different. The Fitzhugh parcel is a little over 22 acres, whereas the other is a large parcel of over 400 acres. You could pick out 22 acres from 164, and probably compare it in that way, but even that would not be of very much interest, as the conditions which enter in to make the value are so wholly different. I do not think any of the Burke piece is worth \$500 an acre. The first purchase by Fitzhugh at \$400 an acre is more beautiful than the Burke tract acre for acre. The front portion of the Fitzhugh tract is rather unattractive, but the back portion is extremely beautiful, and is bordered by a creek. All three of the Fitzhugh sales were in a measure improved, as there was a certain amount of planting on the two Nahmen's places. There were some orchards. I do not think Mr. Fitzhugh has removed them. Personally, I do not think the improvements, with the exception of a few small trees on the little Nahmen place, had very much to do with its value, as a portion of the land to be added to the Fitzhugh tract, but it had something to do with the idea of the price which Mr. Fitzhugh had to pay, as I know that Willie Nahmens, who

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owned it, was determined to get the value of his house and his trees which he had planted, his fence and his wells, and all the rest of it, and I think that he got it, and more.

The climate on the Burke piece is not as good as on the Fitzhugh property, although it is not so very bad on the Burke piece. There are times when the wind blows down where the Fitzhugh property is. The south line of the Connolly property is not a bad climate; it is simply drafty there at times.

I conducted the negotiations for the purchase, by Mr. Pope, of his La Honda property. He purchased it from three men by the name of Woodhams, a lady named Woodhams, and a Mr. Ackerman and his wife. I conducted the negotiations with those people separately. One of the Messrs. Woodhams had an office in the Foxcroft Building, and I conducted the negotiations with him for 254 acres. I imagine that we talked about the climate over there. I said to Mr. Woodhams, when I first talked with him about the property, "Isn't that an awfully foggy district?" and he said, "Now you are mistaken about that", or words to that effect. He also said that he had made a trip down the coast and Half Moon Bay all the way in a dense, cold fog, and that San Gregorio was dripping with fog; he went up the San Gregorio Canyon toward La Honda, and after he had gone we will say about half or two-thirds of the way, they ran out of the fog into beautiful sunlight, and he said, "You will find that condition times without number", and I did. That conversation took place in the fall of 1911, I think. The first time I talked with Woodhams must have been in the spring of 1912, and I had not gone over to La Honda on business many times before that conversation with him. That sale was my first sale over there, and I was not negotiating sales of other property in the La Honda country. I didn't go over there a great deal before my conversation with Woodhams, but when I did go I went to get an idea of the country. I would not be a bit surprised if I had told him that Mr. Pope understood that it was very cold and foggy there, as Mr. Pope did understand that before he began going over there. That is one of the reasons that took so long to close that deal, and he went over there repeatedly for that, amongst other reasons. He did find it foggy, but I don't think he ever found a dripping fog.

There are a number of ridges between San Gregorio and La Honda. There is a ridge which divides into two spurs, and lies between Clear Creek and Dry Creek; that is a comparatively low ridge. Between Clear Creek and Corte Madera Creek there is another ridge which is a little higher, but still low. They are all more or less low, but apparently they tend to affect the climate. There is another ridge between Corte Madera Creek and the Bogges Creek; between Bogges Creek and Harrington Creek there is quite a high plateau that is about the same height, or a little higher than the

ridges further toward the ocean; between the Harrington Creek and La Honda Creek there is a still higher plateau of ridges. There is an unobstructed valley leading from San Gregorio up to La Honda, but it has a very pronounced twist in it. On the map it shows very near the junction of San Gregorio and Harrington Creeks, but as a matter of fact it is a little bit east of that junction, as I recall the contour.

3486 I have seen the fog coming up the canyon from San Gregorio to La Honda quite frequently. It does not always come up from San Gregorio to La Honda along that creek, and that is the general rule. It comes up the creek, but it does not get as far up as La Honda. I have spent quite a number of nights in La Honda during the four years that I have been going over there, but I cannot say how many. About two nights out of 40 or 50 that I have spent there, there has been a low fog. There is less of the dripping fog at La Honda than there is on the Spring Valley property, and by dripping fog I mean the low fog. There is a very small percentage of the time when that
3487 La Honda road is wet from dripping fog. There are a number of times when you will find it up on the ridge, but not about La Honda.

The lands to the east of the Buri Buri Ridge are better than those to the west, because they have a better climate, are more accessible, slope to a densely uninhabited area, are better wooded and are reached by the conveniences that tend to make people satisfied with living in the country, and they are very much more highly developed artificially.

3488 I think it is logical to suppose that if the Spring Valley lands adjoining Hillsboro had been on the market, that they would have been purchased and developed many years ago. I think they would have been placed on the market from time to time as people wanted to sell, and probably they would have been sold.

If the Spring Valley lands could be thrown on the market now, there is a small strip that would be affected by the proximity to San Mateo, but that is all; they are, of course, greatly affected by their proximity to San Francisco, and a portion of them would have environment. The strip which I have mentioned that would have environment would extend, I think, from the crest of Buri Buri and Pulgas Ridges westerly from about half a mile from the Half Moon Bay Road to the Rock Circle, and halfway up the Sierra Morena Ridge in that area, and then it would extend over probably into Pilareitos Canyon. The whole question of neighborhood and environment and a choice of land would be dependent upon the type of development which would be put into the land, and the type of places and buildings which started and developed on the land, and also the character of the people to whom the land was sold.

The Spring Valley property lies immediately next to the most highly developed residential portion of the peninsula lying south of San Francisco, and it would be affected by the environment, but

it is very questionable how much that value would have because if this property were put on the market it would probably glut it, and consequently it would be very questionable as to whether the promoter of whatever other subdivision it might be worked into would not sell merely for the sake of selling in order to get the money out, and therefore kill off all that was gained by the proximity to the highly developed area. If the purchaser had the advice of a man experienced in these matters, he would buy the land only at the price I gave him, and that would take care of such a situation. I would never advise a man to put \$1,600,000, or whatever I have appraised them at, into that land as a speculation.

Questioned by Master.

I think that the property is worth the amount that I have put on it, but Mr. McCutchen referred to the speculative end of it, and that would have to have a greater margin than could exist between the selling price in subdivision, and such prices as I have given. By speculative end, I had in mind to give it the benefit of every question that came to my mind, and, therefore, I assumed I would be able to find the man wanting a baronial estate. That is precisely the reason why in every instance the benefit of that idea was taken into account. I do think that this property has a market value for a sale in a reasonable time for \$1,600,000. I think we could find a man who might pay that.

CROSS EXAMINATION BY MR. MCCUTCHEN.

If such a man asked my advice, stating that he wanted a baronial estate, and that he would sell off the portions he did not want, I would say, that is all right, you cannot do any better, but if he wanted a speculation, to get out of it as soon as he could, I would probably tell him he could not afford to pay \$1,600,000.

Questioned by Master.

Very often people pay more than they should for land, and if this man, who might be foolish about it, would come to me and say you have operated in country estates, and I want 22,000 acres of land for a huge estate, tell me what I can afford to pay for it, I would probably say, that is all right. It probably could be possible to sell this property for \$1,600,000 in 1913, but I would not advise a man to pay quite that much for it, although there would be a profit in it probably, the profit would be so small that interest might eat it up.

CROSS EXAMINATION BY MR. MCCUTCHEN.

I would want to know pretty much what the market was before I advised a syndicate to buy this property, and I don't think I would so advise a syndicate.

FIFTY-FIRST HEARING.

OCTOBER 27, 1915.

3492 Witness: NORWOOD B. SMITH, for Defendant.

CROSS EXAMINATION BY MR. MCCUTCHEN.

(Certain corrections noted in the transcript.)

3493 The climate is better between where the Borel property is, north to very nearly the northerly part of what I understand to be the north line of Hillsboro. I do not think Easton has as good a climate as the district I have described, but as compared to the climate west of the Buri Buri Ridge, it is better, and by that comparison it is a good climate. It is not nearly so good as the Woodside District.

3494 There are practically no estates at Easton of the same type as there are at Woodside. The Kohl Estate is an exception, and I doubt very much whether Woodside property would bring on an average the same rate that that property would. Mr. Rodgers told me what the Kohl property sold for, and I believed him, and I had nothing to do with the sale.

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I did not make any sale in any of this locality, but I am not ignorant of the prices at which the properties have sold in that locality. I take it for granted that the Kohl property sold for \$2,500 an acre. I think it was after I put my valuation on these properties that I learned that the Elkins property sold for \$1,250 an acre, but I am not perfectly sure as to that.

Witness was shown photograph marked 41, taken on the Kohl property; I would think that indicates wind action.

Marked "Plaintiff's Exhibit 70 for identification".

3496 Shown a photograph marked 40: That tree looks very much as though it was the result of a strong wind compared with other winds. It probably blows quite steadily.

Marked "Plaintiff's Exhibit 71 for identification".

The property at the junction of the Mountain Road and the Kings Mountain Road, in the Woodside district, sold for something over \$1400 an acre, in April, 1911. The seller was Mrs. O'Brien, and the buyer P. C. Hale. That property is about 3 miles south from the Burke property of the Spring Valley Water Co. I know of no other sales of my own knowledge in that locality at figures approximating those.

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Witness shown photograph marked 59, which depicts two trees; I would say they show wind action, but not necessarily violent wind action. It seems to me that was the result of summer wind. I know that trees could be bent into the shape of those trees without their being in a locality where the wind is very strong. Those trees are on a piece of property out back of Menlo Park, immediately in front of the Sharon property on the flat.

Marked "Plaintiff's Exhibit 72 for identification".

I cannot recall when I heard of the sale from Tevis to Mrs. Whitcomb, but I think I have a memorandum of it among my papers. I knew of the sale, but I knew of none of the details, excepting where the property was. I did not know the price. I knew from hearsay reports that there was a sale between Hobart and Clarke before I put my valuation on this property, and that the price was between \$450 and \$400 an acre. Mr. Chilcott, Secretary of the San Mateo County Abstract Co., gave me that information, I think in the Spring of 1915. On the inspection trip I said that I had no reason to know that that property was sold, other than what had been said, and that there was nothing that I could find of record, and I think I further stated that I had employed an abstractor to search the record to find out if there was anything of record. Mr. Chilcott volunteered the information, and he is a searcher himself. It was after that I employed him, but as I did not have to pay him anything, perhaps the use of the word "employ" is erroneous. I told him to keep his eye on the records, and if anything went of record to be sure and let me know, and I later took it up with him, or his partner, and told them that I wished they would run back over the records so that I would be absolutely certain that it had not been missed.

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I knew of the sale from the Armitage Orphanage to Mr. Borel, through the publication of the record. In some instances that showed the price, and it is my recollection that it did in that case. The only information I had as to the price was what I gleaned from the breviat, which was published of the record, and which is simply what it purports upon its face to be, and I understand does not contain anything that is not contained in the public records. I could not tell you the price of the Borel property. I do not seem to have any memorandum of it here, but it is possible that I have it in the files at my Palo Alto office. I could hardly have brought all the records here that I used in arriving at these values, because all the information that we had in the office was back of the appraisal. It is my recollection that it was prior to the time I placed a valuation upon these properties that I had the information about the price paid by Mr. Borel for that property, although I am not sure of it. If I did not know it before, it would have made no difference when I learned of it, because I think it is consistent, taking all things into consideration; if I had known it before, it would have made no difference for the same reason.

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I do not think the price of any properties in that locality influenced me, excepting in a general way. There are no sales that I know of where I had the information in regard to acreage and price that have an exact bearing on this; they are simply a guide, and beyond that of little value. They are a guide to an almost negli-

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gible extent, as a general proposition. The sale of the Schaeberg piece over on the west is a very good check on what values are in there. I mean only sales east of the Buri Buri Ridge. The only sale of any value is the Carolan sale, and that has a value only in consideration of the upper plateau. I know the special circumstances of the Carolan sale, but I could not say whether I heard of it before or after I made this valuation. I did not use it, and I do not think it would have very much bearing anyway. It has to be considered, but it has not very much bearing on it. I may have known it, but I can't recall. I would have nothing in my notes here that would show that I knew of it at the time I made my valuation; I think I have a memorandum at the office.

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I could not tell you whether I heard of a sale from Easton to Robert Hayes Smith, of 100 acres, which lies east of Buri Buri Ridge. My recollection is that that land lies between the highway and the railroad track. If it is west of the railroad track, it is not the property I have in mind, as I have in mind a parcel between the highway and the railroad track.

Questioned by Master.

I do not recall those names and that transaction at the present time.

CROSS EXAMINATION BY MR. MCCUTCHEN.

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I know where Burlingame Grove is, but I never heard of a sale there of 77 acres from Easton to Morrel. Mr. Rodgers told us also of the sale from Easton to Felton Elkins. I would say that it had something to do with my valuation. There is no note amongst my notes indicating that I used it, but there is a very clear recollection of it in my mind. My recollection is that I knew of the sale from Easton to Kohl before I made the final valuation. I have no note

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or memorandum of it, but it is possible that I could look it up. Mr. Rodgers may have told me of the Kohl sale at a subsequent meeting after I made the valuation, but as near as I can recall, I knew of that sale before I made this valuation. I did not attempt to write down all the elements that entered into each valuation; I know that the Kohl sale had an effect on the values that I placed on these other properties, although I can't measure the effect. The sale of the Kohl property at that figure reflected its influence on and over the Spring Valley properties to the west of Buri Buri Ridge to a slight degree. It would be impossible to measure to what extent, but any large sale has a certain bearing on other tracts which might be used for more or less similar purposes, whether they are immediately in the neighborhood of the land which has been sold, or whether they are simply within the area covered by the market from which the buyers are drawn. This Kohl property was in the area of the market from which buyers for the Spring Valley prop-

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erty would be drawn, but I would say that the Spring Valley property as a whole has no environment, so that it was not within the same environment. The property on the west slope of the Buri Buri Ridge is affected by the same environment as the Kohl property, but the Kohl property is more nearly within the environment than the west slope.

I know of the sale to the McRorie McLaren Co., of the property that they occupy for nursery purposes. I heard of that very shortly after they purchased it, as I recall they paid \$1,050 for some of the land, and I think they paid a little more for some of the balance. In a certain way it is attractive property for a nursery, but not for a country estate. The property north and south of it is available for country estates, but it is hardly what you would call attractive property until you get quite a little north and south.

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I learned of the sale from Molera to the Beresford Country Club subsequently to the time I made these valuations, and before testifying here. I kept no notes indicating what elements entered into it, excepting in rare instances. I have heard of the sale from Moran to the Beresford Country Club, but I cannot recall whether it was before I made these valuations. I have heard that the price was \$1,000 an acre. That is in quite a windy area, and the Molera property is in practically the same area; that sold, I heard, for \$350 an acre.

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I heard of the sale of Silva to C. B. Smith, and Smith and Knewing co-operated, I think, and they sold out to Watkinson, for \$890 or \$875 an acre. At the time that I valued these properties, I understood that it had sold at a higher price than that. To a certain extent, that sale entered in to fixing my values upon these properties. That property is a mile and a half or a mile and three-quarters north of the Silva tract, belonging to the company. It appears to be even more on the map, but I have never scaled it.

When I speak of my valuation here, I mean the last valuation, or the one that I have given in court, because I learned of nothing that induced me to make any changes, other than slight errors that have been noted. If I did not use any of these sales before making my first valuation, I did not use them at all.

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I do not think that I said all of these sales would be negligible, as that could hardly be the case. There are some which are negligible, and others which have a more particular bearing, and all the sales which I have either made or known about, or have reason to believe that my information was correct concerning, enter into my ideas of what the value of this land is. I said about some of the property lying easterly of the lake, that the influence of sales of other properties was negligible in reaching my values. I doubt whether I can tell of any property lying easterly of the lakes which I placed a valuation upon, and in the placing of which I was in-

fluenced by other sales, because I do not think that there was any direct influence. If I had known the circumstances of the Carolan sale, it would have influenced me, but I did not know the circumstances. The Carolan sale would not have influenced me very much, but it probably would have had some effect. I have told you all that I can arrive at as far as my capacity to analyze my ideas goes, as to the effect which a knowledge of sales in a locality easterly from the Spring Valley properties on Buri Buri Ridge had upon me in fixing the values on the westerly side of that ridge.

I do not think that I have made a sale of any property easterly of a line drawn northerly and southerly from Buri Buri Ridge, and within ten miles of the most southerly property of Spring Valley lying on the westerly side of that ridge, and a line drawn from the bay through Redwood City to the ocean, with the exception of the sale to R. H. Pease.

In fixing a value upon this Spring Valley property. I employed what was my idea of how honest the prices were which had been given to me, and I always assumed that prices that are given are apt to be a little high; it was my knowledge of what people were asking for their property, which is always, with rare exceptions, more than they take when you offer them the cash, and I mean general knowledge. I took into consideration also the relative nearness to San Francisco of the small portions that we are discussing, and the nearness to San Mateo, to the highways and to the railroads. When I say general knowledge, I mean general knowledge of the values through the district.

I made a sale in San Francisco, on Market Street, just below the Metropolis Bank Building. It was sold by the Woodward Estate to Fred Sharon after the fire.

When I speak of general knowledge, I mean general knowledge of values on the peninsula, all the way from San Francisco south, and the general knowledge that I had at the time I was employed in this case was such as came from my experience, and all the things that enter into the daily life of a real estate broker's business.

To tell of a single piece of property between Colma and San Carlos, the price of which I knew at the time I was employed in this case, would require my taking our listings and going through the properties. We sold some properties at South San Francisco, along the highway. There is one rather large property on the ocean side, just south of the San Francisco line, that I had something to do with. We had in our office the Forbes property, just south of San Mateo. I do not think that that was after I was employed in this case. I do not know offhand, whether that was listed in our office after I was employed in this case, and I have not the memorandum with me, but I am quite sure there are letters at the office that would give the exact date.

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

There is land that used to belong to the Mezes Estate, back of Belmont, that was in the hands of one of the Pringles, which he wanted us to try and sell, and asked us to make a particular examination of in an effort to sell it. This was long before anything was said about the Spring Valley condemnation suit, which was the original employment at which we were engaged. That is in a windy district. I have a note here that on March 1, 1909, Mr. Pringle asked \$12,500 for 486 acres, or about \$250 per acre. That is a note made in my handwriting. I went into the real estate business in 1911, but this note was in the office of the University Realty Co., which existed in 1909, and I presume I am taking this information from a letter, or something like that. I had that information, and further information, before I put the values on this property, and before I was employed in this case the information that I have read from this note was in the office. While I was connected with the University Realty Co., the matter was again taken up and the same price was given us, and it was at that time that I went over the land. It was taken up with Mr. Pringle, but which one I cannot say. I think I talked with Mr. Pringle on the train about it. That is absolutely authentic information, and if I myself did not talk with him it would not make any difference, because my partner talked with him personally, or had letters from him.

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I knew George Ross wanted to sell his improved place at \$50,000 or \$60,000, which is at Belmont, and right on the railroad. I knew that the McLellan people at Belmont wanted to sell their flat land at \$1,250 an acre, which is at Beresford, between the railroad and the highway, and the marsh. I knew that H. H. Lynch wanted to sell his property, which is very close to San Mateo, as he asked me to make a special effort to sell it for him. His request was made as I recall it, approximately the year I sold the little 17 acre piece that belonged to his family.

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Questioned by Master.

I find a note here that the sale of the Lynch piece to Hooker & Lent was closed in February, 1914, but the sale hung fire for about 4 months, so that it might have been either in October, November, or December, 1913, that Mr. Lynch gave me a map of this property at San Mateo.

CROSS EXAMINATION BY MR. MCCUTCHEN.

I think I finished my valuations on the Spring Valley properties in June, 1914.

As I recall, I had the Splivalo property, back of Belmont and San Carlos, which was quite a large tract. I know its general character, and have been over it. I did not have any dealings with Mr. Splivalo, but I think there was one of his sons-in-law, and he said he had control of it. I have a map here which he gave me at

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3515 the time. The man's name was Schumaker. He may not have been a son-in-law, but he said he was. He gave me the relationship at the time, but I don't recall what it was. He put the property in my hands for sale, and he asked \$250 per acre for it.

Questioned by Master.

I would say this was within two weeks following April 29, 1914.

CROSS EXAMINATION BY MR. MCCUTCHEN.

He sought me, and I have a letter from him that I would show you, if you like.

3516 There were a number of places at San Mateo and Burlingame, the selling price of which I knew at the time I made the valuation of these properties, and I also knew that the Black Mountain land was for sale; that is the Howard Estate. The prices varied from \$500 to \$1,000, according to the parcels. That was part of my knowledge when I fixed the values. After we were employed by the City of San Francisco, I sent out letters to all the owners of lands contiguous or similar, or which I thought might have a bearing upon the value of this large tract, and in response to those letters I got a great deal of general information, and in many cases I followed it up by a personal visit. That was all done prior to going out on to the land. That was not done because I felt myself unequipped to make a valuation of the property, because I certainly was equipped, because the very equipment would dictate getting in touch with adjoining owners to find out what their ideas were at that time. I always assume that if a man says a thing, that is what he means, although I did not say that I assumed before I made my valuations that the information that I had received was honest information.

3517 Outside of the responses I got to these communications, I had watched the records for a number of years, and in that way gained considerable general information as to values. I had some acquaintance with people who bought land and sold it, and had talked with brokers from time to time. I had appraised lands, not only in San Mateo itself, but in that country up there from the San Francisco county line, south. I knew what the demand was for estate property, and it is obvious that the Spring Valley land is estate property. The demand for estate property did not exist in the Spring Valley property, but did exist for a certain type of estate in the San Mateo locality, as I know, because I was in touch to a certain extent with that market. I have seen very few deeds that stated the true consideration of properties sold in that portion of San Mateo County, but I got such information as existed about the selling price of lands from the record. I got mortgage information which gives a general idea of it, and probate, and appraisal information. I got that from the time I went into the real estate business, and I felt at the time I

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was employed that I was thoroughly equipped to make a valuation on the information I then had, because that information would indicate what course I should follow to check up my ideas. There was a comparatively brisk demand for certain strips of property between San Bruno and San Carlos. The principal activity, which is recent, was in the eastern district, and that was all the result of the impetus which always follows the exploiting of a subdivision. The principal reason why I have never made any sales in that locality, I think, is that I have never concentrated there, although I have paid a great deal of attention to that locality.

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At the time I put my valuation upon the tank lot, on the Half Moon Bay Road, I had heard of a sale of the large tract beyond to Mr. De Guigne. I had not heard of a sale of a small tract to him on the same road at that time. The first time I learned of that was when we were on the trip.

I do not recall that the land in the sale from Bernali to Wolf was cleared when we saw it. Portions of it were, but I could not answer how much, as I have never been over that tract, except in a general way. The sale of land from Fanciola to Righeti was at \$17.20, including approximately \$1000 for improvements. I have seen part of the improvements, and I consider them very poor. They consist of a shed and small houses. I have the information as to the assessment, which enables me to say that the improvements were worth \$1000 in that sale, and I have seen parts of it. Some of that land is clear, and you would reach it from the Half Moon Bay Road. The Fanciola land runs right down to the Half Moon Bay Road, and this particular purchase took in the entire piece of 477.75 acres. My recollection is that that piece runs right down to the Half Moon Bay Road, as there was a strip of about 144 acres in Vasquez Ranch, included in that transfer.

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Referring to the sale, Ross to Faustino; the road runs into the old McDermott piece, which is the Ross place, and it is my understanding that he had an absolute right of way through that piece. If a man owns a quarter section, and he does not own a quarter section due north of it, and then he owns another section due north of the one which he does not own, and the road to the most northerly one which he owns from the southern one which he owns, runs through the one which he does not own, and taking into account the further fact that the only property that he does not own, and which keeps that road open, has a private road, is the property that lies between his two quarter section, it is obvious that it would influence the man who owned those two quarters to buy the middle one so that he could close that road. The man who owned the middle section would have to buy not only the section north of him and the one south of him, but possibly a number of other parcels further south, if that road continued running south, and the conditions are

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different. Faustino told me of the existence of that private road, and said that it had to do with his purchase of the property. He told me this on the 25th of July, 1915. I didn't know what he thought about it at the time I made my valuations, but I knew what I thought about it.

I would not give any value on the property which Mr. Clarke purchased from Mr. Hobart. The only time I have seen that property recently is that time we went up there, and I would want to see it before giving it a valuation. The following was read from the transcript: "Q. In 1913 could Parcel 50 have been disposed of at \$350 'per acre. A. Do you mean in connection with all the rest of the 'land? Q. Yes. A. No, it could not." By the question, "Do you mean in connection with all the rest of the land", I meant to try and find out whether he had in mind if a man owned that one little piece of watershed acreage, could he sell it at that price as a separate piece, or could he sell it at that price if it were a part of the whole 22,000 acre tract. Assuming that it was a separate piece, I do not think then that he could. If the Spring Valley Water Co. were free to sell the land in the watershed, I doubt whether they could get \$350 an acre for it. I should say they could get an average of possibly \$100 for the whole piece. Some of it is very attractive, but it is not comparable with the Morsehead property. It might be less attractive to some people, and more attractive to others. It is very difficult to say.

We sold a couple of unimproved lots on the main street in South San Francisco. One, a corner lot of 50 feet, and the other I do not remember the size of, but it may have been 25 or 50 feet.

The Prestolite property is very close to the Spring Valley land which I valued at \$342 an acre, but I do not remember the definite distance. The southeasterly point of the Prestolite tank I think would not be more than 100 yards from the property of the Spring Valley. It is practically adjoining. Very little of the Spring Valley property is high land. How much I do not know. I have forgotten exactly how I graded that.

In fixing this valuation of \$342 an acre, I used the general information that I had of sales in that neighborhood other than South San Francisco Land & Improvement Co. That information was of the most general character, and I could hardly have used it very extensively, and I assume that I did not use it very much, although it was in my mind just as the high prices which the South City people told us they were getting was also in my mind, even more so. The sales which the South San Francisco Improvement Co. made were undoubtedly in my mind. I had one very particular piece of information that I think had a bearing on my value of \$342 an acre for this land, and that was the Prestolite sale, although the information was extremely varying, being from \$1,000

an acre up to \$2,000 an acre, and down to \$500 an acre. This latter figure was obtained from Mr. Cunningham, Postmaster of South City, and he claimed to know something about it, though he subsequently denied that he had told me anything about it. I used that information in checking the final figures, but I did not get it until after I had appraised the property. The only information I had before appraising the property was general, such as a man has in this business, and who knows approximately what the effect upon a piece of land is of being in competition with similar land for the same purposes, where the large tract is all owned by the one company, which is exploiting the district, as is the case there. A man in this business knows the possibilities of securing factories for such locations, and in that particular instance, one would naturally know of the talk of introducing a channel which would give them a harbor, and there was talk of that kind. The harbor would not touch this property. I also knew something of the experiences in other localities, such as Redwood and Palo Alto. In valuing this property, I took into account what I knew of every other locality, and of all the waterfront schemes which I had any knowledge of. To that extent I used information I had relative to Redwood and Palo Alto.

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There is no water scheme at Palo Alto, except very dimly in the future. I had in mind particularly the effort to get factories at Palo Alto, which failed to succeed. That effort has been rather successful at South San Francisco, but extremely slow. In Redwood City they asked in the neighborhood of \$1,000 for land, but the Harbor Company sold one piece to the Grecco Salt Works, on deep water, for \$200 an acre. There is very little deep water, but a great deal on the sloughs and in the marshes. There is a basis of comparison between the conditions at Redwood City and those at South San Francisco, and I have given all that basis that occurs to me here.

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When I arrived at a valuation of \$342 on this property, I knew the land, and I was on it when I fixed the price. You will always get a better idea of what land is worth when you are right on it. You cannot appraise land in an office. It makes no difference how well you know the district, it is absolutely necessary to go on the land before you can arrive at a fair valuation.

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The highest purpose for which that land is comparable is factory or warehouse. The land northerly of the station is more favored for factory purposes, but I have not had enough experience to really know why. I have an idea that it is harder land, or something like that. The people in South San Francisco told me that, and it was borne out by the fact that there seems to be more building north. It would not cost a great deal to put this property into the same general class with the Prestolite property; its location, of course, is quite different, and it is a great drawback to that land

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that it is in competition with the large acreage held by one corporation which is promoting the entire district, as any company which was in the market for a warehouse or factory site would very likely be known by the big corporation, and in the second place, the holder of a large tract which he is subdividing can offer better inducements than the owner of a small tract in much the same locality. I could not give you any ratio by which I depreciated this property on that account. This land is not pocketed, and I suppose if you put all that land in and get an average of that kind of land, the South San Francisco Improvement Co.'s land would probably not have any advantage over it acre for acre, but they have certain land which has a decided advantage, and which would be in competition, and would likely go first.

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I do not know how much an equivalent acreage of the South San Francisco Improvement Co., immediately adjoining this property, would be worth, as I have not been on it, and do not know how badly it is cut by the slough that is in there. I do not know how close it is to the tracks, or what it would cost to put a spur track in; the development would have to follow before they could put a good deal of their land on the market. The present state highway, I think, touches the lower end of it. The fact that the state highway runs along its entire side is certainly advantageous to the Prestolite property. In my judgment, the moment an outsider purchased a 50 acre tract adjoining the Spring Valley tract, from the South San Francisco Land & Improvement Co., for speculative purposes, or for purposes which were not to produce an income, I would say that the market value of that piece drops.

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The Spring Valley land is accessible to the railroad, and I know of no difficulty about very cheaply constructing a spur track to factories that might be built upon it. I think the high land that lies along the railroad in South San Francisco is more available for factory purposes than this is. When you get north of the station, you get into a less windy district, and that may influence some factories or warehouses. The Prestolite factory is within the wind-swept area, and apparently the wind did not deter that company from building its factory there. I did not depreciate the Spring Valley property on that account. It might be worth less to some people because it is subjected to a greater wind than the Prestolite property. It is my opinion that it might militate against the property, but it would probably not.

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"Parcel 97, Map 3; lies from the crest of Sawyer Ridge down "easterly slope to Crystal Springs Lake; it is densely overgrown with "chaparral, oak and madrone"; it has some very nice oaks, madrone, laurel or bay on it as I recall it. I have seen a great deal of laurel in various parts, and if it is well grown, it is a very beautiful tree in my judgment.

Parcels 59 and 89 lie across the lower point of Sawyer Ridge, from the westerly arm of Crystal Springs Lake to the easterly arm. The westerly portion of the tract is very steep, covered with brush and a few trees; the easterly portion is heavily overgrown with chaparral and oak. That is all I have here. I put \$291 an acre on Parcel 89, and \$91 an acre on Parcel 97, because the southeasterly point of 89 runs down into Sherwood Point, and the view, and the slope of the land has a great deal to do with it. I should think that in that particular instance the view had a trebling influence. It figures out a little more than that. That is not entirely due to view, as it was also the slope of the land. The contour of 89 is more desirable than that of 97. The slope is better. None of it is level, and in conjunction with 92, which adjoins it on the southeast, it is more available for building purposes. In putting my value on 89, I put it on with reference to 92 in this case; the southeast corner of 89 would certainly not have as high a value as an isolated parcel as it has in conjunction with 92. To say what it would be worth as an isolated parcel, I would have to give that a little further consideration, because that has not been in my mind at any time.

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I think to a certain extent, that in putting my value upon 89, I was influenced by the fact that it was owned by the same owner as the person who owned across on the other side of the lake, but I could not give you any exact ratio of what I added to 89 because of that fact. I consider 89 and 97 by themselves, but as a part of the whole tract, and to consider them as if they were owned by two independent owners, would mean reappraising them. I could probably give an approximation of what they would be worth by themselves, and I would say that the watershed area included within them would each sell for about 50% more than the prices I have given. Under those circumstances, I imagine that the ratio of difference between 89 and 97 would be changed a little. I would add 50% to 97 and 50% to 89, because in my experience, land of that type will sell for about 50% more at retail. I got at the wholesale values of these two tracts by having in mind that it was a wholesale proposition, and my guide was this: There are always two values in appraising land for that purpose. The first is the price which a man could not afford to hold his land any longer at. That is the retail price. Another is the value at which a man could not afford not to buy land. That is the speculative value; in between there is a value which is sliding, and which is governed by special conditions, which is, in a measure, the wholesale value of land. A man might not be willing to pay over the speculative value, or to advise the purchase of land at over the speculative value for special reasons; or he might be perfectly willing, and with perfect honesty, to advise the purchase of land at a higher value than the speculative value, but still at the wholesale value. That outlines my ideas as nearly as possible.

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3537 In fixing my value upon these two pieces of property I used as a guide the highest possible wholesale value, which I got by going over the land, having in mind what I have just stated, and figuring what the land was worth, and I have found that it reasons to exact results in my experience. In getting these wholesale values, one has to take into consideration the size of the tract, the location, and the use to which the whole tract could be put, or to which the majority of it could be put. You also have to take into consideration probably 13 to 15 other elements, such as climate, scenic beauty of the individual parcel or portion of the tract, the scenic beauty of the entire tract, growth, the character of the trees and the brush, the water conditions, the amount of development that is already done, and what would have to be done; whether your tract is large enough to warrant certain kinds of development or not, and a lot of little elements like that; also the future possibility of the land, and the trend of development in the neighborhood.

3538 Referring to the San Francisco sale, my partner and I were employed to purchase certain interests which were outstanding in the ownership of that piece of property, and after considerable work we finally tied them up on a contract, and presumably the sale was going right through; there was quite a little delay before the matter was finally closed up and the purchase made, and when it was finally made, it did not go through our office, but we were compensated just the same. I wanted to make that clear. I am speaking now of a portion of the Woodward Estate.

3539 Referring to the South San Francisco piece, there were about 25 acres, or a little more, at \$400 an acre, and the remainder at \$300 an acre. I graded the land that way, as I figured that the land between the railroad tracks and the then highway was more valuable than the land to the east of the road. In my judgment it was more valuable at that time, because the highway was an open road; it cut the property. The westerly portion could be reached very easily by spur tracks, and you would not have to cross a main highway. There may have been other influences I would have noticed on the ground, but which I do not recall now. The fact that a spur track would have to cross the highway I would regard as a drawback. I would think that there might be some difficulty in obtaining a spur track privilege on such a well-used road.

My guide for fixing \$400 an acre on the portion between the highway and the railroad track, was the same guide that I outlined this morning. It was what I thought it was worth. I took into account all that I knew about lands of that character, and all that I knew about South San Francisco and the possibilities there, the competition into which this land would be thrown if it were placed on the market. It was a part of the 30,000 acre watershed sold, or presumably to be sold, at the same time. I took into consideration that

we were appraising each separate parcel as a part of the whole thing. The unit appraisal applied to this land in this way: If I were showing the 22,000 acres of land to a prospective purchaser, whether he were an individual or a syndicate, I would have had to call his attention to this fact, that there is a piece of 59 acres just below South San Francisco which has to go with the rest of this land, and then I would have had to show him why it was worth the price I placed on it. I was told to value the property as a whole, and it was my understanding that if the 59 acres went, the 22,000 acres in San Mateo County also went. That if a person bought one, he would also have to buy the other. In valuing the 59 acres in that way, I think it depreciated its value to some extent, but in a very slight degree. We might say approximately 10%, but that is a guess.

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To say that I had an expectation when I put my values upon this property that I would find one man who would buy the watershed property and this property, too, would be making too strong a statement, but there was no question in my mind that I could syndicate that property and sell it. I could have sold that property in 1913 to a syndicate, but the price might have had to be a little less. It is possible I could have demonstrated to their satisfaction that they could make a profit on the amount I have appraised it at, but it is very questionable. The reason why I spoke of an individual is, that it is always possible to find a man who would take a large estate, although it is almost inconceivable of a man buying 22,000 acres, even though he might figure to sell off 15,000 acres, and retain what he wanted, but still it is possible, and since it is possible to find such a man, the question arises, what would that man be justified in paying? Would he be justified in paying speculative price which a syndicate would naturally expect to pay, or would he be justified in paying more? He is always justified in paying more. The other idea is, supposing the man is inexperienced, and comes to you for advice as an expert; you have to be honest and give certain advice; now, if he is justified in paying more for an estate than in buying a large tract with the idea of selling it off in subdivisions, then it seems to me that in giving the market price of that land, it is only fair to give the maximum that such a purchaser would be willing to pay, although the possibility of selling to such a purchaser is certainly remote. If I have expressed it as it is in my mind, I have a very clear idea that that all throws a tremendous amount of light on this subject.

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There is no rule for making appraisals; it is simply what in your judgment property is worth under the conditions which you have in mind.

Parcels 24 and 193, on Map 9; Silva tract: I went over that land and graded it. I have not those gradings here, and I cannot work them out on the witness stand. In arriving at that, I took sales of

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3544 nearby property into consideration. I knew of the sale of the other Silva property approximately a mile and a half north. I knew the asking price of the Chesley-Bush property in that vicinity. I knew all of the Easton and Mills offers, from Mr. Rodgers, at \$1,000 and \$650 an acre. I looked at those in this way: Mr. Rodgers stated they were actual bona fide offers, and I did not question that, but I figure that the owners of those lands were extremely wealthy, and had no particular use for the money; it was very safe in the land where it was located, and in all probability there would be a future advance over the probable market price of that land at that time—no one could foresee the war conditions entering in—and to a certain extent I felt that it did not reflect market value. The fact that they did not need the money was a very good reason why they were not willing sellers, and that might have a great deal to do with the willingness of the buyers to pay the prices. The buyer might stretch a point under the stimulus of enthusiasm worked up by the broker working the deal, and bid in the land at a higher value than he would ordinarily pay, and regret it afterwards.

3545 I do not know that I can say that I concluded when I considered the Silva property, that the buyers of those properties would have regretted the purchases afterwards if the sales had been consummated, but I am quite sure he would have regretted it, as I look at it now, because I think that the interest on his investment would have eaten him up. The properties nearer the State Highway in that locality are worth very much more than the properties back in the hills, but I would not care to hazard a guess on any percentage. In regard to the Silva property, the land on a flat is worth more than the property on a hill, because it will produce a greater income, and would be in greater demand.

3546 The Easton properties back in the hills were probably not worth as much per acre in 1913, as the property next to the highway in front of them, because the property along the highway, or within easy walking distance of it is capable of being subdivided, and the smaller the area, the higher the price per acre you are apt to get out of your entire land. The closer to the highway and the railroad you are, the better your transportation facilities.

3547 The back part of the Silva property is quite a narrow strip, about one-eighth of a mile, and to ask me to compare this back part of the Silva tract with the average price of a very large tract, like the Easton tract, is asking an unjust comparison. That would be the rule, at least, though there might be exceptions. The Silva tract may have an average value of \$275, and that would not necessarily be a comparable figure with the average price of all the D. O. Mills 1100 acre tract, just south of the Millbrae Villas, because there you have not only the back part of the Mills land, which may be different, more or less valuable, but you also have the front portions of it. The average

price of a tract is quite a different thing from the price of any portion of it.

My understanding is that the land that Mr. Rodgers was offered \$1,000 and \$650 an acre respectively for, was the land that runs just southerly of the road that leaves the San Andres Lake Road at the most northerly cottage, and runs clear into the highway. The \$650 acre land, according to my recollection, was back of Huntington Park and San Bruno Park.

The portion of the Silva tract which bounds the State Highway, from my recollection of it, is worth in the neighborhood of \$500 or \$550. The Bush property can be bought for somewhere in that neighborhood, but I do not know of any other. My guide in putting this price on the Silva property was just what I thought that land was worth in my experience, and taking it as a part of the whole piece. I also took into account the Silva sale of 131 acres further north. The price of that, \$900 an acre, I figured was a mistake on the part of the purchaser, as I knew in my own judgment he paid too much, and the situation at the present time, I think, bears that out. I gave it consideration; I figured that there was a man who really paid \$900 an acre as far as I could find out at that time; I subsequently learned it was a little less. Even taking that at \$890, I find justification from it in putting this Silva property at \$382. The Silva property is a smaller tract; it is all on the highway, compact, and if properly handled, would make a rather good subdivision of a poor order. The relation of one to the other is that \$900 an acre is too much, and I think that the sale from the Silva people to C. B. Smith would be nearer correct as to the right price. Mr. Knewing, on the 2nd of August, 1915, stated that Watkinson paid \$724.75, and that was after I placed my valuation on the Spring Valley lands. My information that it was \$890 an acre I gave from recollection.

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The information that the property sold for \$724.75 an acre was given by Knewing to my partner, Mr. Cranston, and not to me personally. That sale certainly had some influence on me in fixing the value of the Silva tract, but it did not have a very great influence. There is a relation between the two, but I could not take it into consideration, because at the time I understood the buyer had paid \$900 an acre for it, which I considered too much. I did take it into consideration.

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Questioned by Master.

I thought of it, and gave it a certain amount of consideration as an experience, as all my experience was in my mind, but it did not have any particular bearing in working out the proposition that this one sold for so much, and therefore that this other one ought to sell for so much.

CROSS EXAMINATION BY MR. MCCUTCHEN.

3551 We may eliminate that sale. In fixing the value of the Silva property, I took into consideration primarily, I think, the general asking prices along the highway. I have no recollection of any distinct sale. The asking prices range all the way from less than \$1,000 an acre to any price they figured to ask. There are prices which you don't know, but which you have a fair idea of. A man might say, "I want \$1,000 an acre for my land, but bring me around an offer." You cannot tell what he will take unless you try him out. He might be willing, when he arrived at the point of selling, to take as low as \$600 an acre, when he is asking \$1500 an acre. Things like that happen. Mr. Bush is the man who has this property that he might ask so much for, but his Honor asked me to leave it out. That is the most pointed case. There is no specific piece that I took into consideration in fixing my valuation upon the Silva tract. I knew of the asking prices of a number of pieces in a general way. That is the only way in which the value upon this tract can be fixed.

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I have heard of the sale by the Eastons of the Huntington Park Tract, and know where it is, and when it was sold. It was sold for subdivision. They sold it for the buyer to do with it whatever he pleased. That tract is northeast of the Silva property a mile, or a mile and a quarter, and back of Uncle Tom's Cabin. It is better located for subdivision than the Silva property, but whether it is better property depends upon what you have in mind for comparison. It has quite a reasonable frontage on the State Highway. The Silva tract that Watkinson bought is in rather a poor neighborhood, and it has not a good neighborhood in the same sense that Huntington Park has. The Huntington Park tract is in a poor, cheap district, but the Silva tract, belonging to the Spring Valley Co., is not in a cheap district, as there is no district there at all. The Silva tract, acre for acre, is less valuable than the Huntington Park Tract, because it is a long, narrow strip, and it would be difficult to cut it up into its maximum earning shape; it is not as close to railroad transportation, or as advantageously located, I think, from the standpoint of the small purchaser.

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In valuing this Silva tract, I assumed that it must be disposed of with the 22,000 acres of watershed, and the property in South San Francisco. I think that would result in depressing its value.

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Parcel 89 is worth three times as much per acre as 97 in connection with the lower point which lies in 92. The Millbrae pumping property is most valuable for cutting up into small lots for sale for residential purposes. My guide in placing a value upon that property is what I have already said, and consisted of the same elements which entered into the property across the road—the Silva property. There might be added the general knowledge as to what lots which

would be similar to the lots there would sell for. In other words, the competition that land would have were it subdivided. There are lots near the station at Easton for \$800 which have a considerable future value. There are lots that can be purchased in Burlingame Grove for \$100. The value of the lots in the Millbrae pumping property would be purely speculative. Any land on the peninsula near the railroad might be said to have a certain industrial value, and there is the United Railroads' track, and a private spur belonging to the Spring Valley Water Co., I believe, which leads into this property between the railroad main line and this property. This property could be regarded as industrial property, but I think I would give it a higher value as residential property. 3556

Parcel 40, Map 3: In putting upon that the value which I did, I was not influenced at all by its shape. It lies on the easterly slope of the Sawyer Ridge, from the crest to Crystal Springs Lake; the entire tract is very steep, and heavily overgrown with chaparral, with hardwood timber near the lake. My average valuation is \$47.41. I cannot tell you my individual valuations, but the lower part nearer the lake is unquestionably of considerably higher value. I cannot tell you what that higher value would be without looking it up. 3557

Mr. Pope paid for 666.8 acres in La Honda, \$56,421, which includes the amount that he paid me for my services. I didn't get a commission from the sellers. I think the Ackerman deal contained a commission. I have not worked out the average price for that property, but it is \$84 and some cents, and is apparently twice as much as my valuation of Parcel 40. 3558

Mr. Liebes paid for 22.17 acres over there \$3,000, I think, or about \$130 an acre. That was a subdivision in itself of a larger tract, and there is quite a bit of it that runs down into redwood timber along the La Honda Creek. I do not know what proportion of it. It is a much more attractive parcel than 40, and if you eliminate the question of location, it is a much better property. I think it is more beautiful property, and it will be much more favorable. It is very much nearer the top of the ridge than Mr. Pope's property, and in my judgment, is in a much more foggy district. There is a great deal less wind on the Liebes property than on Parcel 40, but possibly there is more fog. I do not know what proportion of the time the road is wet from fog from the summit down to the Liebes place. The district in which the Liebes property is is more available for country estates than the Spring Valley property. The Spring Valley property is not available at all, being off the market. Property similar to Parcel 40, I would say is more desirable for country estates than property in the locality where the Liebes property is. The land around the Crystal Springs Lake is more desirable. The property down along the Canada Road, Parcel 191, and the parallel pieces, would be, to a certain extent, in direct competition with that La Honda district for country 3559 3560

estates. They would be to some people more desirable, but I think the number of people who would wish to buy as large tracts as they are would be less than those who would wish to buy small pieces such as Liebes, and therefore you have to consider the districts which are cut into the smaller pieces.

3561 The price paid by Liebes was a subdivisional price, and perfectly fair. These properties would be worth from 33 1/3 to 50 percent more if they were subdivided. The Claffey property I put a valuation of \$36 on, and if you added 50% to that, it would make it \$54 as against \$130 for the Liebes property, but the Claffey property has some 450 acres which is very different from 22 acres. If you were to cut off the lower portion of the Claffey property, which is the best portion, I would say you were closer to the market. What Mr. Liebes did was to pick out just what he wanted. He was offered the entire tract at a much less average figure, but he only wanted a small piece, and he got it, and of course he paid the price. If you cut off the lower part of the Claffey property and do not include the tare, then naturally the price would and should be higher.

3562 Looking at it from the standpoint of one who wanted a country estate, I would say that the property purchased by Mr. Pope was very much more desirable and salable than Parcel 191. There is no question but what you will find more buyers for the Pope purchase over at La Honda, than you would for 191. The Morsehead property I sold for \$111 an acre, and it has been my experience that there was more inquiries for that kind of property than for lands of the type of any of these large pieces along the Canada. I am comparing the Morsehead piece with the general type of land all the way from the Cevasco piece Parcel 212 northerly, with here and there an exception.

3563 There is no property exactly like the Claffey piece which has been on the market. The closest piece is what is known as the Romero piece, which is the southerly part of the Connolly property, and that is similar only in the lower portion. The upper portion has been entirely cleared, whereas the Claffey has not, so it is a remote comparison. Nevertheless, it is something the same type. The Morsehead property was a more salable property than any of the properties in the westerly part of the Canada District, because it is a better climate, and has a better neighborhood. If you eliminate the question of location, then you can consider the Morsehead property as a better and finer property than the Claffey property. It is scenically very much better property, and the general contour is better suited to the type of development which usually follows the purchase of a country estate. It is heavily covered in its upper portion with rather fine redwood, and the Claffey property is not. There are some beautiful oak trees on the lower part of the Claffey property, which I regard as a very beautiful addition. They are not more beautiful than the oak trees

on the Morsehead property. The growth generally on the Morsehead place is of a finer grade than on the Claffey place. The redwood trees are more beautiful on the Morsehead place. I could not find any on the Claffey place. I think there is one tree, either a fir or a redwood, on the Claffey place, that I remember. 3564

From the parallel strips leading up the hill on the westerly side of that valley, and southerly, I consider there is some very beautiful country. I do not, comparatively speaking, consider that a beautiful picture from the lower portion of these strips. It has some attractive points, and the view from that area as a rule is better than a view of it. There are some remarkably beautiful points along that part of the ridge. That entire hill, from the Half Moon Bay Road down to the West Union properties is not beautifully wooded. The lower part of Parcel 49 is very beautiful, but taking it altogether, it is not a very high-grade piece. The upper portion of it is of rather indifferent character. There is too much waste land in figuring it as an estate. I do not think there would be any difficulty in selling that parcel by itself if the price were right. There is not a very wide market for properties of that sort. I consider the lower part of that parcel finer than the Fitzhugh property, with the exception of the Fitzhugh property that is along the creek. I have in mind, not the 22 acre piece of creek frontage of the Fitzhugh property, but a portion which we sold amounting to about 55 acres. I have not in mind the 22 acre piece in that creek frontage that I speak of. 3565
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It is my idea that there was a portion of Parcel 49 lying between Canada and the submergible portion which is very much more beautiful than all of the 55 acres which we sold to Mr. Fitzhugh, with the exception of that portion of the Fitzhugh land along the creek. The 20 acres sold to Fitzhugh was sold, merely from hearsay, for \$600, or a little less. The highest price that I put on this fine portion of 49 is \$100 an acre, and I do not wish now to qualify my statement that that is finer than any part of the 20 acres of Mr. Fitzhugh. When I was talking about a comparison, I was referring to the 52 acre piece. I did not say that the 22 acre piece does not contain any creek frontage, because it does contain such a frontage over its entire width at the back. This 22 acre tract is hardly comparable to the best of 49, because it is a different type. There is only a little piece of the 22 acre piece that is like a small part of 49. The best part of 49 is not any better than the average of the Morsehead piece. I would not say that you could not select an acreage of 10 acres in extent in 49 that is better than the average of the Morsehead piece, taking the high hill and all the rest of it together, because you cannot take an average of land, you cannot add them up and say there are so many redwoods and so many hills, and so much view, and average them. You have to know what the demand is from the experience you have. The market value of the land is solely dependent on how quickly you can 3567
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3569 sell it. I can take 10 acres of 49 and 10 acres of the Morsehead piece, and I can tell you which will sell the quickest at the same price. I can no more compare the best 10 acres of 49 with the average of the Morsehead tract, than you could compare an apple and an orchard.

3570 I can compare the whole of the Morsehead property with the whole of the Claffey property, because of the relative salability of the two properties. I would say that the best 10 acres in 49, taken as an isolated parcel, has a greater value than the average of the Morsehead tract, and yet I happen to have a 10 acre tract in 49 which I put at \$100, or \$10 less than the average of the Morsehead tract. That is the highest value of the best part of 49. You have taken the best 10 acres, and I have taken you to mean that that best 10 acres is an isolated parcel, for sale as a separate parcel in subdivision, and by that I mean as a unit of 10 acres; you are trying to compare it with 300 or 400 acres; the comparison is absolutely fallacious, and it must be perfectly obvious that you cannot do that, and any man who has had experience at all in handling country estates knows that you cannot do it; any man who has handled any real estate knows you cannot do it, for the reason that the market for 10 acres is always a great deal larger than the market for 400 acres.

I didn't mean, when I made this subdivision, that if this tract were put in my hands I could subdivide it in that way, and sell it for those prices. I doubt very much whether any sane man would subdivide this property according to these gradations, because if he did he would sell off immediately all the high-grade portions of his land, and he would be left with the burden of overhead of poor stuff that would completely eat up all of his profits and the investments to boot.

3571 Questioned by Master.

Referring to item for Parcel 1, in Parcel 37, consisting of 81 acres, at \$87.03; total, \$7,050: I got that 3 cents by dividing the amount of acreage which seems to be in that parcel by what the parcel is worth. It was probably done by walking over it and going over the different points that required inspection, and just roughly figuring that there was this point which should be worth so much, and then in that way arriving at the unit as a whole. As a general rule, wherever you find an odd amount like that it is probably due to the fact that on the ground, and at the time, it seemed that there should be a change made, either more or less. The first unit of \$133.33, for 8 acres in item 3 of Parcel 37 was reached in this way, I think, the original impression of that unit was that it was only worth \$100, speaking generally; then when the entire piece was worked out as a unit on the ground, it seemed that that was unfair and too low, and that there should be about a third added. It is a fair assumption that this is the explanation of all this irregularity.

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A figure of \$86.66 would be reached in the same way; there might be one-sixth added, for instance, and after figuring that it was worth

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

so much, there might be a deduction of 10% because there is too much back land that we had not noticed before. I do not mean by this to say that I figured up a tract as having certain boundaries, and then said that is worth \$111.68. These unit values per acre are a little bit misleading, and are simply worked out for convenience to show how we arrived at it. Where there are odd amounts, it is unquestionably either due to the grouping together of various amounts, and then dividing the whole, or by a percentage increase because of the relative value in connection with other lands. There are several parcels that I recall where that occurred.

CROSS EXAMINATION BY MR. MCCUTCHEN.

The total value of the appraisal was arrived at by the sums of the gradations. When I appraised the land I did not have the parcels in this form, so I cannot say either one way or the other whether in order to get the value of a particular parcel I made these gradations, and put a price upon the parcels of the parcels, so to speak. The parcel was rearranged to fit these parcels for the convenience of the court and before I rearranged it, I went over the parcel and made these gradations.

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Questioned by Mr. Searls.

By parcel, I do not mean necessarily keeping inside the boundaries of those parcels. I had never seen these maps until I met Mr. Rodgers. I had appraised a great deal of the land by then, and I was up back of the Carolan place when I met him; he showed me the maps, and immediately we tried to get them, for if we had had them it would have been much more convenient.

CROSS EXAMINATION BY MR. MCCUTCHEN.

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After I got these maps that are now in use, I went over these parcels in part, and graded them into these subdivisions that appear on this exhibit. I had done that before. I went on to the land with these maps, and worked out what gradations lay within the boundary lines of these parcels. In some cases it required practically a reappraisal of the land, because of the confusion between the two maps. I made these gradations to arrive at the value of the land. It is impossible to find out the value of a large tract of land which cannot be seen in its entirety from one point without going over it.

Questioned by Master.

You could not tell what the scenic character was of Parcel 37 unless you went on to it. More particularly you could not tell what the view quality was, and that naturally enters quite essentially into all estate land.

CROSS EXAMINATION BY MR. MCCUTCHEN.

The fact that you could not tell what the view quality was without going on it, would not argue that you had to subdivide it in order to

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arrive at its value. Referring to Parcel 49: those subdivisions are tied one to the other, and if you were to sell a part and not the rest, you would naturally change the value. The selling price of Nos. 8, 9, 10 and 11 would be quite high. As nearly as I can figure that, there are 120 acres in that part east of the Canada, and I have appraised it at \$11,375, which is a little less than \$100 an acre. If that were given to me for sale independently, and I were to assume that the land in the vicinity surrounding it would be improved with the proper type of improvements, and sold to a high-grade class of people, I believe that that land would bring close to \$250 an acre; some of it would be worth more, and some less. I would rather not go into the price of the land on the other side of the Canada Road up to the top of the hill. I would not hazard a guess on that, as I would want to go over it to see whether it would go as a whole, or whether we could sell the upper part in conjunction with the Ridge Road. I will give you a relative idea of what it is worth; it would be worth as a whole, in conjunction with the watershed area and other lands less than it would be as a separate unit, but in conjunction with 8, 9, 10 and 11, and on a retail basis, I would say offhand that you could add to that separate parcel about 50%. In my judgment Parcel 49 as a retail proposition, and as a whole, would stand a 50% raise. I can tell the value of that portion of 49 between the Canada Road and the top of the ridge, assuming that it were owned separately and apart from the rest of the Spring Valley property, but I do not like to commit myself here, away from the land. If you were to add up those various parcels that are there, and see what they total, then I would say that you would be perfectly safe figuring on a retail basis in adding a little less than \$50 an acre. I would say that the 523 or 524 acres above the Canada Road would be worth about \$22,000. That is just what it would be worth, and what I call the retail value of that parcel. That is my judgment of its retail selling value.

Questioned by Master.

The sum of those figures seems to be \$16,138.50.

CROSS EXAMINATION BY MR. MCCUTCHEN.

I said that I would add a little less than 50%, and if you added 50%, you would have \$24,000. You ought to be able to get pretty close to \$250 for this land between the road and the grant line, but you can't cut off the best part of the land, and say the rest of it would be worth the difference. If you cut off the lower part, you would not have anywhere near as good a selling proposition as if you had the whole thing. It would probably take you a little longer to get your money out. It would certainly be better to consider the portion between the Canada and the grant line by itself, but I think it would be worse for the property on the other side of the Canada to consider it by itself. When I said that if you considered that by itself you

could add 50% to your figures on that portion of the property, I was simply trying to state what I thought would be the retail selling price for that portion west of the Canada, but the question of time in which you could sell it, and other things, enter into it.

There is a part of the Fitzhugh property, which in my opinion would be comparable with the property between the Canada and the grant line by itself in an independent ownership from the standpoint of desirability, and beauty, for a country estate. I consider the back portion of the Fitzhugh property, over where he has his reservoir to the center of the Corte Madera Creek of very much higher grade than this property between the Canada and the grant line. He got the whole 52 and a fraction acres in one purchase. He has a little piece where the creek runs through, and he also has the 22.49 acres that he bought from Nahmens.

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I think there is close to 100 or 120 acres between the road and the grant line. The sum of parcels 8, 9, 10 and 11 is 120 acres. Taking it as a whole, I don't think it is very much more desirable property than Mr. Fitzhugh's 22 acres, though I would say that it is as desirable, but would not be marketed as quickly. I think it is as desirable as the property for which Mr. Fitzhugh paid \$600 an acre, but the fact that I valued it at \$250 an acre has very little to do with it. It is just the same as the Waddell Creek and the Pilarcitos comparison, only that that comparison was a little more stretched, though it illustrates the point.

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The Woodside properties are not too remote from these Spring Valley properties to make a comparison of one with the other, and a great deal of this land is comparable to Woodside. I would not take any isolated piece and say it was comparable. I have in mind the district more than isolated parcels. The portion of 49 which lies easterly of the Canada, is, in a measure comparable, because it would be in competition with the Woodside country if it were placed on the market, and you have to know that, and know what the Woodside property is, and what the values are, and the selling prices, before you would have any idea at all what this land would sell for.

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There are individual pieces which are comparable in the two districts. There are portions on Mr. Connolly's property that are very comparable to this portion of 49 that lies between the Canada and the grant line. They are not the finest portion of Mr. Connolly's property, but we are getting into an average price which is unfair to Parcel 49, because Connolly only paid \$100 an acre. He did not take in a lot of wild land, but took in some very beautiful and valuable land on that piece, and practically all of the piece was capable of being put under cultivation when he bought it.

There is also a piece of land in the Woodside district that the company owns that would be quite comparable to the fine portion of 49. I had never been employed to appraise that land, and there has

3583 never been a price put upon it. I do not connect anything that has been sold in Woodside that is exactly comparable with this individual portion. In putting these valuations on 49, I used the information gained from my experience in handling country estates, in Menlo, Woodside, La Honda and Los Altos, and in valuing and appraising them. There is no property in these districts—leaving out La Honda—that is exactly the same as 49, so that you cannot compare it that way, but in going on Parcel 49 to figure out what it was worth in the market, and as a part of the whole, I had in mind the various prices which had been paid for Mr. Diamond's piece. That was about \$350 an acre, and for the Morsehead property, \$111 an acre, and for the Connolly property, particularly the Romero portion, which was about \$100 an acre. I conducted that sale. Then I had in mind also the relative value of 49 as a single unit, or in conjunction with the whole piece.

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Those are not fair comparisons, however, because they are better properties than 49, with the exception of little parts of 49. The Diamond property is probably better property than 49, although there are parts of it that are about the same type. I do not think it is fair to single the Diamond property out. I know pretty well what land is worth for estate purposes, and knowing and having the experience, I was perfectly able to go on to that land, and over it, and figure out what it was worth. Every sale that was made in the Woodside Ridge, and La Honda country, had a bearing on the value of that land. I did not take into consideration any particular sale in the ridge district in fixing the value of 49; it was simply what I knew of the land being sold for along the ridge, such as the Santos, which is a portion of the Kelly Ranch, located at the top of the grade where the La Honda Road crosses the grade. I took every sale that I knew of into consideration, and I took the Santos property into consideration; not as a specific illustration or comparison, any more than I took the Morsehead or the Family Farm.

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The Santos property was sold by Dixon to Santos, and consisted of 190.56 acres, and the price was \$9,000, or about \$47.50 an acre.

FIFTY-SECOND HEARING. OCTOBER 28, 1915.

Witness: NORWOOD B. SMITH, for Defendant.

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CROSS EXAMINATION BY MR. MCCUTCHEN.

At the time I made these valuations, I knew quite a good deal about the prices being asked, and the sales that had been made, in the territory between a line drawn through San Bruno, from the bay to the ocean, and one drawn through San Carlos, from the bay to the ocean. I had been employed to appraise the Henshaw property,

in Section 11, Township 3 South, Range 6 West, near the San Francisco line, and north of San Bruno.

Questioned by Master.

We covered by that question all the land east of Buri Buri Ridge yesterday, and there is only left the intervening Spring Valley land, as to which there have been no sales, and the land west of the Montara Mountains to the ocean. In regard to that westerly land toward the ocean, between that and the Montara Ridge, I had taken up with the various owners, in person, and by letter, to ascertain their attitude toward selling at the time, and prior to going into the field. I received a number of answers, most of them stating that the land was not for sale, and some of them quoted prices, which did not have any bearing, as they were more apt to be prices such as on lands right along the ocean.

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(Counsel for Plaintiff stated that the lines drawn from the bay to the ocean, intersecting San Carlos on the south, and San Bruno on the north, run east and west by the compass.)

Questioned by Master.

The Schaeberg sale is west of the Montara Ridge, and the others that are near by, I think, are within at least the upper portion of these lines, and should be included. I knew of the Scarpas sale at the time I made my valuation, but I knew nothing of the details. I knew only that it was sold, and I had appraised a portion of the Spring Valley land prior to that. I knew of the sale of the McDermott Estate to Ross, because I appraised that land for a client just prior to that sale. I knew the price of that. I think I learned of all those other sales subsequently.

CROSS EXAMINATION BY MR. MCCUTCHEN.

When I made these segregations, I might say that I placed my valuations on the individual subdivisions in the parcels segregated with reference to the whole tract, because I had it very clearly in mind that the whole tract was to be valued as a unit. I had in mind the whole of the 22,000 acres, but not the whole of the parcel, because I did not have the parcel map when I made the appraisal. I had the whole tract in mind as a unit when I made my valuations upon segregation, and then I found out what that unit was worth, and in order to find out what it was worth, I had to find out the character of the land, and because I happened to use dollars to represent the value of the individual parcel, that meant nothing; I might just as well have used percent if I had started out using percentages. I could use one type of land as a unit, and then I could say that another type was more or less in a varying district, and when I got all through, I could work it out on the dollars and cents appraisal.

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I am not a practical surveyor. I have found in my own case that it is possible for one not a practical surveyor to come within

3590 15% of accuracy by the use of a Brunton Compass. There have been occasions when it has been verified by subsequent survey. I have used the Brunton Compass for a number of years.

When I placed these valuations upon these segregations, I certainly placed a valuation on the small gradations, or separate parts of the land, with reference to the whole tract; by that I want it clearly understood that I had in mind the whole tract as a single unit, and was endeavoring to find out and ascertain the exact values of the whole tract. When I placed my value upon a particular subdivision of a parcel, I meant that that particular subdivision was worth the figure I placed upon it as a part of the whole tract, but not necessarily as a unit by itself. It might be worth more or it might be worth less. In the case of Parcel 89; the lower part certainly would not have been worth as much as a separate unit as it was worth in conjunction with that portion of 92 which adjoins it.

3591 Reading from page 3302 of the transcript: "Q. Mr. Smith, in making your valuations as you have stated, you went upon the land: Is that correct? A. Yes, that is correct. Q. In going upon that land to make your valuations, did you consider the different portions of each portion you were valuing? A. Yes. Q. What did you do in that respect? A. What we call grading, I figured out approximately how many acres there were of a certain type of land, or of a certain unit of land, not necessarily all of the same type, and figured out how much that land was worth as a unit."

I mean by "that land" as used in that answer, the land in the area I had under consideration in the particular subdivision or segregation. I do not say now that I did not mean to determine the value of that land as a unit. The answer I have given this morning fits exactly with that, and all you have to do is to add to the first answer that I had in mind a whole parcel.

Reading from the testimony: "You say you figured out the acreage; How did you do that? A. My experience has taught me how to size up the acreage. That was the first way. Another means was to check that by the use of instruments I had with me. A final check, which was conclusive, was how the sum of those various gradations totaled with respect to a known total, for instance, a quarter section of land, which was a known total."

3592 I meant by that answer: A quarter section usually has 160 acres in it, and in some instances I found variations of a few acres more or less, and I had a memoranda of those acreages. When I was appraising land in that quarter section, I endeavored to keep the segregations within that area, so that I would have a means of checking my idea of the acreage.

The following was read from the record: "And the figures to the lefthand side represent what? A. The first column represents the number of separate units; the second column represents the acreage

“in that column; the third column represents the rate per acre; the fourth column represents the total value.”

By that I meant the total value of the unit.

Questioned by Master.

I could hardly say in regard to this property that I had a base figure in different places. It is true that I had to start with something, if I were using a percentage, and I might have gone on to the land that way, but I did not. I went on the land, using as a base my knowledge as nearly as possible of what that kind of land would sell for. Referring to the land from the southerly end of the Crystal Springs Reservoir up to the concrete dam on the east side of the lake. I did not take a certain section there and reason that this type of land within a certain acreage was worth \$50; here is a piece that is at least a third better, and so on. I did that, and I didn't do that. I went on that land and looked it over very carefully, and I figured that it was worth, we will say for an assumption, \$125 an acre; now I would arrive at that \$125 an acre by having in mind what other land was worth which would be as nearly similar as possible, considering location and other things, or such land as might be in competition in the market with the property I was looking at. I find it a little difficult to explain just how land of that type conveys its value, excepting by stating that in going over the tracts, unit by unit, type by type, we might say, you know approximately what that land would sell for on what we are considering as a wholesale basis. You know that if you have had experience in handling land. You need to grade it because it is just as impossible to tell what land is worth without doing that as it would be to tell what a herd of cattle would be worth by looking it through.

Referring to Parcel 37, 8 acres, at \$133.33; total \$1,066.64: When I said that I probably increased \$100 by a third, in stating how I arrived at those figures, I meant this: In that particular parcel, and I think in two or three others, perhaps 72 and 90 are the ones, I went over the ground, starting from where the Belmont Road strikes that land, right near the Poor Farm, and I graded the entire tract. When I finished, I found that the tract was, as a whole, tied in, and as a part of 54 and 36 which lie to the north of it; that it was better land; and that really it should have a higher valuation than I started out with. When you are doing field work, that is often the case. You find that one thing improves the other, and so on. The \$133.33 an acre is not necessarily a figure which represents the comparison between that particular item and some other item along there, but is very likely my increase in value on a re-survey of my first grading.

Where a percentage was used, it was a case of figuring that that unit, or the whole parcel, or that district, was worth a third more than appeared when first going upon the land. These values per acre were simply adhered to in order to keep the entire parcel as consistent

as possible. They are a little misleading. A man could not say that land was worth \$133.33 an acre, of course, but in getting at the total value it seemed very much wiser to retain the exact appraisal that was made on the land. In residential land, you cannot use any rule, it is what you know it will sell for in the market, and that is based only on experience. It is not like grain, or fruit, or stock land.

3597 It is true to a certain extent that there may be a relation in the way of reflecting value on each other, physically or otherwise, in such instances as the adjoining pieces 89 and 92, and that relation further exists in this, that having a large tract to sell, you have a larger wholesale lot than a piece of 400 acres, and you give that effect by depressing your prices; more particularly, I think, the amount of tare, or waste land that is carried in such a tract as this, is what has the effect. To a certain extent that regulates the time that it could be disposed of in. Net high-grade land of residential character will sell quite quickly.

Presuming that it is all of the finest grade of land, and that you had a piece of 22,000 acres to find a market value for, there is no doubt but what the 22,000 acres would be less under those conditions than the value that I have put upon Sherwood Point, if it were to be sold separately and alone, because you would immediately glut the market with the same type of land.

3598 I have not used the conception that I am valuing this land as an entire piece of 22,000 acres to depress the price for the reason I have just indicated, namely, that I have a large piece, and am likely to glut the market. The land in its form at present, the 22,000 acres, has a certain proportion of high-grade land; you could sell that high-grade land off quite quickly at higher prices than I have given, but you would then be in a position of having to carry the waste land for quite a time until it did what we call "come in"; until the market developed for it. That would be so whether you had the 400 acres in the Claffey piece, or the entire 22,000 acres, if you sold off the good part. In my judgment, you would not get the total value out of it if you did that in the ultimate, that you would get, if you sold it as a whole, so that to a certain extent they offset each other. That exists in varying amounts, according to the size, and whether you have 22,000 acres, or any particular parcel of 100 acres down there, because it is sure to contain some tare.

CROSS EXAMINATION BY MR. MCCUTCHEN.

3599 Referring to the tract, upon a portion of which I placed a value of \$133.33 an acre; I fancy that parcel appeared to be worth \$100 when I went upon it, and I made that note at the time I was on the land. When I went over it further, my impression of the district and parcel was improved, and the more I got into it, and over the adjoining lands, and saw the various qualities which the entire tract

contained, it looked better. The result was the price that was put upon it. In other words, the tract seemed to be a district a third better than it looked at first. Very often in the morning there might be a dense fog, or it might be raining; the human element will certainly enter in, and it is certainly just to correct it when you consider it proper to correct it.

I think I took \$100 in the first instance as the value of that subdivision. It is unit 3 of Parcel 37, and contains 8 acres; it is just south of where the Half Moon Bay Road crosses, and from a memorandum I have here, there was quite a little variation in the original idea in working it out. I find one figure \$125, and that is stricken out, and \$100 put down, and then apparently I finally used \$100, and gave it 33 1-3 increase. I have nothing to indicate that I gave it the 33 1-3 increase. That was worked out on the ground, as was the memorandum. I used a pencil in the field, and when I got back to the automobile, I nearly always used ink, and that explains why the original figures were put in in pencil, and the corrections in ink. I have stated that I could not make valuations away from the land, and that I had actually to be on the land and see it at the time I put my valuation down. This valuation on unit 3 was made while I was on the ground, and the automobile happened to be standing within a very few feet. I did not say that I made these figures of \$100 an acre on this land after having made it \$125, and then walked over to my automobile and made the figure \$133.33. I went on to that land and graded it as I went; in some cases I had to go back to be sure. The valuing of land is not a thing that you can do in an instant. It is absolutely necessary to take a great many elements into consideration. In this case it required going back over certain portions of the land. After giving the valuations, and taking into consideration the surrounding conditions, and the growth, and I think probably more than anything else the advantage of the adjoining land, it was only fair to raise the appraisal. At the time I made this valuation, I put three independent figures down while I was on that parcel. First \$125, then \$100, and then \$133.33. I made the figures while I was on Parcel 37, and I may have in the meantime passed over to other parcels, but that is simply speculation.

Questioned by Master.

I mean that while I was grading in a particular place, I finished up my gradation at that particular place, whether it was a single parcel, or whether it was a collection of parcels in the general neighborhood.

CROSS EXAMINATION BY MR. McCUTCHEN.

Referring to unit 13 of Parcel 37, 17 acres; the first valuation that is down here in my notes is \$100 an acre, and apparently the first appraisal of that included only 15 acres, and then I increased it to

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17 acres, evidently taking in a part of a point that runs out there. I raised that from 15 acres at \$100, total \$1500, to 17 acres at \$146.66, total \$2,493.22. I see an intermediate figure there of \$2,833.22, but that might be misleading, because in writing down the figures and going back, it is very possible that I got the wrong price at a location.

3604 Questioned by Master.

The two acres probably had very little to do with the increase in value. I do not find from my notes how I get that extra figure of \$46.66 over the original \$100. The notes would never show that, in all probability, because that would be done on the ground, and would be as it appears to me fair, to the appraisal. I might have in some instances, but I don't think I would always put down details like that. I got at my figure by taking all the elements into consideration while I went over the land. I don't know how else to explain it. It is knowing what the land would sell for. I do not remember how I got at the striking figure of \$146.66.

CROSS EXAMINATION BY MR. MCCUTCHEN.

3605 The other figure here is \$2,833.22, and there is also \$166.66, both of which are stricken out. The \$166.66 is in my writing, and is in the column here which represents rate per acre. I have no doubt what it would mean if it were applicable to this case, but I do not recall reducing the value of any of that land in there, and I do not know the significance of that figure. I think it was a mistake. I might have taken out a sheet marked 800, instead of 809, and taken the unit and not paid much attention to it. The figure \$166.66 was written here, I should say, before the figure \$146.66. I would say that it was written in the automobile. The mistake might have arisen by taking out the wrong sheet. We had a sheet on which the notes covering one parcel according to our numbers was, and it is possible that sheet 800 was taken out instead of some other sheet, such as 805, 806 or 809, which also had a unit 5 on it, and in making the notes possibly intended for 809 on some other number, I would have simply looked at the parcel number and made the change, and then discovered I had the wrong sheet, and take it out. It is not at all logical to suppose that it applies to that immediate piece. The sheet was taken out of a portfolio, and I not only had this sheet in my hands when I was putting the valuations down on it, but I had other sheets in my hands at that time. I had a great many sheets out at the same time sometimes.

3607 After putting the first figures upon this particular parcel of Parcel 37, I may have, before putting down the figures \$146.66, taken a wrong paper out of the folder. That might be the explanation for putting the figure \$166.66 on this particular unit. It might be that the figure was what I originally had there, \$166.66, and then I decided that it was worth \$20 less than that, but I do not think that is the case.

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

I could not answer here why I added 46.66 to that unit after having first fixed the value of \$100. It was undoubtedly some influence that affected me on the land. Referring to unit 15 of Parcel 37; that is a part of a 45 acre tract, and contained about 10 acres, and after making various changes, the final valuation was \$2,333.30.

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There is a 3 acre piece in Parcel 54, valued at \$267.50. There is a figure \$175, and also a figure \$150 in my notes, but that had nothing to do with the final gradation into these parcels, and when that was made, it practically required a reappraisal of the lands along the line, and consequently other lands are affected. It is not a fair statement to say that I first appraised that 3 acre tract at \$150, then at \$175, and later on at \$267.50, for this reason: I appraised the Sherwood Point at \$550, and I appraised the entire tract, we will say the east or in that district, at \$200; one is an average, and the other is a special appraised value; that 3 acre piece, at different values, it shows was a small part of the larger 45 acre unit which was first appraised. The first figure written down here appears to be \$150. That is stricken out, and then \$175, and that is stricken out, but the final figure at which the 45 acres was appraised I do not seem to have written down here. The segregation of 45 into 32, 10 and 3 was made this spring, but the other figures were made the first time while I was on the land. There is only 3 acres at \$267.50, and the 3 acres was included in the 45 acre piece which has an average price; I am quite sure that \$175 was not the final price, and although I have not worked it out to see, I think the final figure must have been in the neighborhood of \$200, or \$225. I do not think they would work out at \$175 arithmetically.

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Unit 11, 32 acres, Parcel 37; shows as a portion of Unit 4 of our subdivision 800, and that subdivision was 42 acres, and the price which is down here, and which seems to be the final price for the entire subdivision, \$85 an acre, \$3,570. The map shows the price to be \$111 and odd cents, but there is no memorandum in my notes that places that figure on that parcel.

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I very rarely made reductions from my first figures. Referring to the page that we had just now, I cannot say that there is a reduction from \$93 to \$85; that is exactly the same as the other one we were discussing, \$166.66. There is a possibility that I got the wrong sheet. The figure of \$85 in pencil, \$133.30 in ink stricken out, and above that \$112.97, does not necessarily show a reduction. One explanation is that I probably got the wrong sheet. It may be a reduction, but my recollection is that none of that land along there was reduced. The only land that was reduced was opposite Parcel 90 on the east slope of the Sawyer Ridge. These three changes that you have just called my attention to do not refer to the parcel I have just spoken of at all. Do not understand that when I went back to the automobile I made these changes from pencil to ink for fear

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that the pencil might be erased, although that was one of the elements. Sometimes ink figures were made in the field.

On the page that I have now shown you, on which appear the figure 125 in pencil, and above that 166.66 in ink, indicates that I first valued that parcel at \$125, and then increased it to \$166.66. Another case of figures in pencil 150, and above it in ink 200, would mean that I increased it from \$150 to \$200. Another case of figures in pencil 100, and 133.33 in ink, indicates that I changed it from \$100 to \$133.33. The instance where you find the figure of 65 in pencil stricken out, 86.66 in ink stricken out, and \$70 above that in ink, does not necessarily indicate that I had three figures on that parcel. It is possible that the 70 was put in when a portion of that was regraded, but I cannot tell you that offhand. However, it is in the same class as the others, and it would not make any difference.

(The Master stated that this was offered the other day, and he suggested that it be retired and bound, but that it might as well be offered and called "Defendant's Exhibit 49".)

3613 I made this "Exhibit 49" from the notes and the contour map, and from the land. This particular one of "Exhibit 49" was made in the office from the notes and contour map. My notes do not show that I have no subdivision similar to Unit 7, of 22 acres, as I did not use the same unit numbers on these maps, as it would have been confusing; these are arranged numerically for the convenience of the court; unit 7 on page 3 of the exhibit, is the same land with a little additional land, which is shown as Unit 7 on my sheet 800. I do not think I could answer what I added to that unit, or took from it, to get the figure \$200, although on sheet 800 is first put down \$85, which is stricken out, and the figure in ink of \$133.33 which is stricken out, and above that \$112.97. These values which I have placed upon the individual parcels which appear upon the Spring Valley map are correct, because they are the aggregate of the unit values of those particular parcels as determined by me. There may be one or two instances where I cannot tell you how I got at those unit values, because it is possible that the change was made on the ground.

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Referring to the sheet which I was using while answering the last question, the figure 85 in pencil stricken out, opposite Parcel 3, was my idea of what the land was worth when I first went on to the ground. The figure \$133.33 was made as soon as I had been over all that particular area, and by that I do not mean Parcel 37, as I did not have it at that time. Referring to Unit 6, opposite which the figures 125 in pencil appear, and above that \$200, I think I recall something about that; before I went into the gulches which bordered that little unit on either side, it seemed from a preliminary survey from the road, and from the flat that is on that piece, that \$125 was the right value for it. Then I went into the gulches, and it showed up very much better, and I added the difference in value to the prop-

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erty. These gulches are not very deep; they are narrow and quite picturesque, and the views are exceedingly fine. I could not say whether these particular gulches make that unit worth 60% more than it would be if the gulches were not there, because a great deal depends on the view, and the view might be just as fine if the gulches were not there and the trees were arranged differently from what they are. The presence of the gulches had considerable to do with the adding of 60% to that piece, and that also was the fact even so far up the shore of the lake as Parcel 36.

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Unit 7 I apparently first valued at \$85, above which appears in ink the figure \$133.33, and it may be that that was because I got the wrong page. The same things which have effected any changes that I made through the entire appraisal were what induced me to go from \$85 to the final figure \$112.97. The increase is due probably to something of the same nature, which caused the increase in price of that other unit to \$200, because I see it is in the same district. I think ultimately that I decided that that piece would tie so well to the surrounding land, that I raised that a little proportionately. I was not too liberal, considering the instructions that I had, but I think I was as liberal as I should have been.

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Unit 4 of that parcel, opposite which appears the price \$85 in pencil, above that \$93.30 in ink stricken out, and above that again \$85: Apparently I was a little in doubt when I first went on it from these figures, but there is a very good reason for being in doubt on that unit, as it lies right along the shores of the lake, and on first inspection is rather barren and poor looking, but in conjunction with the rest of the land it has a better appearance.

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I think I was on the Felton Elkins tract only once, and I do not know whether that photograph correctly represents the trees there. The shape of those trees was probably due to stronger winds than you find at Menlo, but not as strong winds as you find at Byrnes' store. Witness was also shown a photograph marked 71: I would say that that tree is on a very exposed point, and might indicate a strong wind in the locality. The two photographs marked "Plaintiff's Exhibits 73 and 74 for identification". Shown a photograph marked 72: I would say that indicates the presence of strong winds. Marked "Plaintiff's Exhibit 75 for identification." Shown photograph marked 73: Does not indicate nearly as strong wind. It looks as if there was greater protection. Marked "Plaintiff's Exhibit 76 for identification". Shown photograph marked 74: I cannot tell you from that picture. Marked "Plaintiff's Exhibit 77 for identification". Shown photograph marked 75: That looks wind-blown, but not by the very highest wind. Marked "Plaintiff's Exhibit 78 for identification." Shown photograph marked 76: Undoubtedly shows high winds. Marked "Plaintiff's Exhibit 79 for identification." Shown photograph 77: That suggests winds, but not in quite as an

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3620 exposed position as the one shown just prior to it. It indicates very strong winds compared with zephyrs. Marked "Plaintiff's Exhibit 80 for identification."

I think the lands in Woodside are a very good indication to use as a basis of comparison in ascertaining the value of the Spring Valley lands to the west of a line drawn along Buri Buri Ridge, and extended southerly. I would say that the lands lying between the crest of Buri Buri and Pulgas Ridges, and the crest of the Sierra Morena Ridge and the Cahill Ridge, that is as far northerly as we will say the Cahill property, and then dropping down and around the west arm of the Crystal Springs Lake, and up the crest of Sawyer Ridge to a point opposite the northerly line of Parcel 73, are best compared to the area known as the Woodside Valley, extending from the Canada Divide, to the southerly line of Parcel 208, clear down to the lower Portola District. You also have to take into consideration the land lying east of the Buri Buri Ridge; then I would say that the balance of the Spring Valley lands has only one district as a basis of comparison, and that is the La Honda country; in a measure the comparison is remote, because there is a greater proportion of the Spring Valley land which is not comparable, but it is the only fair basis. A portion of the Sierra Morena Ridge overlaps the La Honda country, and is comparable with Woodside, and what we call the Ridge Country.

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The Santos property is at the top of the ridge going over to La Honda, about 2.8 miles from the floor of the valley. I think you go up about 1180 feet in order to reach it from Woodside. It is comparable, to a certain extent, to some of the ridge properties along the Sierra Morena and the Cahill. The Claffey piece in its entirety is not comparable with the Santos piece, but the back part of the Claffey piece is comparable to a certain extent. From the back line toward the front, probably one-quarter of the distance to the Canada Road, the Claffey piece is comparable to the Santos piece. Some of the Santos property is exceedingly rough. The acreage is 190.56. The price was \$9,000, or about \$47.50 an acre. It is not comparable to the Callaghan piece as a whole, but you should certainly have it in mind in going over the back portion of the Callaghan piece. The portion of the Callaghan piece lying between the Canada Road and the Ridge Road is more desirable than the Santos piece, and would be considered more valuable from the standpoint of one who desired a country estate.

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I said that you ought to be able to get very close to \$250 an acre for that portion of 49 lying between the Canada Road and the Pulgas grant line, if you sold it at retail as a separate parcel. I valued the whole of 49 at about \$5 per acre less than the Santos property sold for.

My guide in fixing the valuation upon the rights of way strips in the neighborhood of Palo Alto, and extending from there up to Belmont, was what adjoining lands would be worth. My experience has been that sometimes a narrow strip of land can be obtained for a less acreage price than the adjoining property. I have obtained some rights of way for roads in the central portion of San Mateo County, in the Ridge Country, and in the La Honda Country. By referring to the Liebes tract, you can recall where the particular place is better—there was quite a large area there that absolutely blocked the highway, which was reached by another road, and the woman who owned it at that time had certain ideas as to the value of a right of way, and I negotiated that for the county, and got it for nothing. She did not think that the road would add to the value of her remaining property, but that was my view, and I convinced her that my view was correct. That was not the only experience that induced me to believe that you could usually get a narrow strip of land for the price of adjoining acreage. I got a little right of way for the county just back of Palo Alto, which cuts across what was formerly the Burke 264 acre tract that lies 4.45 miles back of Palo Alto, through the University. The name of that road is Menlo Park and Santa Cruz Turnpike; it is usually called the Martinez Road. The county paid \$300 an acre for that, I think. The selling price of adjoining property is difficult to give, because the only sale that had been made was a large tract, and took in considerable rough land also.

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That had something to do with making me believe that you could buy a narrow strip for the price of adjoining acreage, because the flat land through which the road ran was valued at about \$500 or \$600 an acre by the owner, and further because the tract already had a large road frontage; again the new road in cutting off a little two-acre piece from the main tract, was quite a drawback in that way; it cut off the only well on the property from the main portion, and it also cut off the creek frontage on the property and a small shanty. Notwithstanding all that injury to the property, I got the right of way for less than the value of such acreage property. I argued with the owner along the lines that the road would probably enhance the value of the property. At least it would increase the accessibility of the property, and I believe it. It was not my opinion that he could afford to donate the road without any consideration, but it was my opinion that he should take the road into consideration, and it is my opinion that it is bad policy to block any enterprise which tends to develop an entire district.

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There were other rights of way. I don't recall them. All roads. I had to adjust all the rights of way of the county through the La Honda country, from the north line of the Pope land to very nearly Bellvale, a distance of about four miles. That was in a country where I was operating, had a great deal of property for sale, and

3627 was desirous of having roads laid out in order to facilitate the sale of the property I represented, and it was my opinion that the road would be of great benefit to the properties through which it passed. That experience partly convinced me that you could get a narrow strip of land for the price of adjoining acreage property, because a great many of the people who owned land in there objected to the cutting of some of the trees, figuring that the gain would be less than the damage. I argued with them that it would not, and I was sincere in that. I do not think I have had any other direct experience in which I had to compare the value of a narrow strip of land with adjoining acreage property for the purpose of determining their relative value.

3628 I am familiar with the Menlo district, which includes the lands from the Middlefield Road at the point where that road goes over to the State Highway, north of Atherton, and the property lying between that line and San Francisquito Creek down toward Palo Alto. I am familiar with values in that district, although I do not operate there a great deal. The value per acre of lands lying on both sides of, and immediately adjoining the Southern Pacific line, from the portion of the Middlefield Road that I have referred to, to San Francisquito Creek, three years ago, would be a varying quantity. The lands would range from about \$1100 to \$1200 an acre to quite a considerable bit higher at the Menlo Station. A liberal average of the value of that land simply as land, would be about \$1600 or \$1700 an acre. That would be extremely liberal as an average of the land, as land. Under the conditions that I have stated, \$2000 would be much more than liberal.

3629½ I know the case of the Southern Pacific vs. Doyle very well. I do not know positively what the price paid by the Southern Pacific Co. for that land as the result of that litigation was. I heard two prices, \$7,000 an acre, and \$4,000 an acre.

3630 I do not know what the condition of the property sold by Bernal to Wolff was when it was sold in 1912. I do not remember the sale of the property purchased by Smith from Francisco. I know the sale from Watkins to Cavali. That was at La Honda. I do not know of the sale from Smith to Simmon. I did not make a sale of 67 acres to Frank P. Simmon. I sold to Horace L. Hill a tract at Los Altos, at \$350 an acre approximately. It included some of the high hill. I remember pointing out two hills to you the day we were there. The question arose how much was in the original Bariohlet purchase by Mr. Hill, and how much was in the Sanborn purchase by Mr. Hill. The land was nearly all hills, excepting up on the top, where there is quite a plateau. Some of the flat portion of that tract was with the Hill land that was sold to Mr. Hill for \$1,000 an acre—there was a strip between the center of Adobe Creek, and where Mr. Hill's new barn is located; that is the base of the hill part of his land. From a

scenic standpoint, the Horace Hill purchase is a little better than the Burke property. I consider the Hill property is very much better for a country estate, because it would be easier to sell from a real estate point of view, and some of the elements which would enter into that is the superior grade or type of the land; the location is unquestionably better at the present time than Parcel 164; the approach to it; the agricultural element, which, while in a measure negligible, nevertheless enters in, and is greater in the Hill purchases than it would be in 164, and the climate is better. I am of the impression it is more fertile land, but I do not know for sure. It is more accessible at the present time from San Francisco by automobile. You could undoubtedly reach Parcel 164 in less time, but it would be a more inconvenient trip for the last portion of it than it would be to the Hill property. I have been over the road that leads up to Mr. Hill's place from Los Altos many times, and there are portions of it that are as good as the road leading out to Parcel 164 from Redwood City.

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To get to the Hill place after you leave the State Highway, I think you have more than two and a half miles to travel. To reach 164 after you leave the exterior boundaries of Redwood City, if you took the West Union Road, the most direct route, you would have, I think, about two and a quarter miles. It is not any farther to get to 164 than it is to get to the Hill property in miles, but it is an abominable road to go over from the exterior boundaries of Redwood City. It is impassable to many people in winter, and there is a heavy grade on it. I think that Mr. Hill's new road has a much better grade. The Hill place is better, scenically speaking, and has a better view than 164, and it has a better environment or neighborhood. There are a lot of comparatively cheap improvements on the hill facing Mr. Hill's tract, and there are also some very fine improvements adjoining. Mr. Hill could so locate his house that he would not have to look at the cheap improvements. It is my opinion that there is a better climate where the Hill property is located, and I say that from my experience in traveling on the same day from one place to the other. This favored locality, which includes the Callaghan property, includes the most part of the Burke property. The Burke property is in the same general climatic belt. You begin to lose the protection before you get off of the Burke property, particularly on the east side of the valley. On the west side of the valley, and over into the West Union District, you get a better climate, practically the same all the way down that district, until you get to about the Bassetti piece, Parcel 208. From there the conditions are a little better. There is less wind, and it is less violent. It may be just about as steady. It is not quite as cold, until you get close to Woodside, and then you get into a better climate still.

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There is usually a draft in the bottom of a canyon, but you don't get down into the bottom of a canyon from the Bassetti place. There

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is just a few feet difference between the crest of the divide, which is only a low divide, and the floor of Woodside Valley, which runs all the way to Portola. I do not know where the warm air comes from that makes the land warmer when you get further down into Woodside. I simply know that the climate in Woodside is very much better than the climate in the Canada District. I do not know that the extreme easterly side of the Burke tract is colder than it is on portions of the Husing property down on the flat. It is the southerly portion of 164 that is more exposed to the winds. The climate down toward the Burke property gets worse than it is in the heart of that other strip, and as you get down toward the Bassetti property it gets better, and as you get down into Woodside it is still better.

I would say that the market value of the Bariohlet property, figuring it as a wholesale proposition, would be less than \$350. It was actually sold for less than \$350, but it was a retail sale for a special purpose, and Mr. Hill was particularly attracted by the individual piece. I sold it to him, but I did not advise him, as my advice was not asked. I have known him a number of years, but he was not a friend of mine, and I do not think he was relying on me for advice. I did not tell him not to buy it and pay that price for it. I could not tell you what the Hill property was worth at that time, which was in June, 1913. Mr. Hill apparently thought it was worth \$63,250, but to tell you what it would have been worth if it had been a part of the 22,000 acre tract, would be a difficult thing without going over the land. I would say that the 185 acres would have been a fair buy at \$55,000 at the time Mr. Hill bought it, for anyone wanting just that type of land. That is a matter of personal opinion only. I might increase it on the ground, or I might decrease it. It is a dangerous thing to give in an office. If I were to go on it now, or if I had gone on it at that time, I might increase or decrease that figure of \$55,000. Mr. Hill did not exactly commission me to find a property for him. We heard that he was in the market for a country estate, and made an effort to get in touch with him at once, and we submitted a number of things in a preliminary discussion, and finally concluded in our minds that there were just two properties that suited his purpose; to that extent we were commissioned. In the Bariohlet case I think Mr. Hill paid the commission to us. I do not wish to be understood as saying that I acted for Mr. Hill in that transaction, and stood by and permitted him to pay \$65,000 for a property that was only worth \$55,000. The asking price of that property was \$65,000, and Mr. Hill I think would have paid \$65,000, but he said to us, "get it at the best price you can for me". We took it up with Mrs. Bariohlet, and to the best of my recollection, the result of the negotiation was that she would take \$60,000 net. We signed her up on a contract, and took it up

with Mr. Hill again, and told him we had it at \$60,000, and the upshot of it was that he was perfectly willing to pay the same commission, although we had tied it up at \$65,000; that was \$3,250, and he did allow that commission. Therefore the price that he paid, including that \$3,250, was \$63,250 for the property. In my judgment, it was worth that to him. There were things that appeared at the time of the sale, and he seemed very well satisfied with it.

I do not think Mrs. Bariohlet could have sold it for \$63,250 after that. Whether it was that the market dropped, or that that was the top price, I do not know. In my opinion, Mr. Hill paid what would be the market price for the property at that time.

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The Burke property for building purposes would be as available as the Hill property I presume if the Spring Valley were subdivided. I think it is susceptible for treatment for beautification, but not as much so as the Hill property. There are very much finer knolls on the Hill property on the north slope of the hill, and the oaks there are finer, though there are some on the Burke property that are probably just as fine. I think there are some white oaks on the Hill property, but they are very largely live oaks.

I sold the old Cox place in the Los Altos district, which is at the corner of Fremont near the creek. That was about 10 acres. Some of the Jenkins properties have been sold. They are flat lands, some of them, some are bare lands, some just open flat land, with a few oaks. One piece is a very beautiful piece of a few acres along the creek. That is the one with the stables on it, and which sold for \$750 an acre to Gingg. In my judgment, that property is finer than the Burke property, and has a great many good oaks on it along the creek. It is not cut by a couple of gulches. It is as available, acre for acre, as the Burke property.

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The Sharon property lies about two miles, or a little more, west of Menlo Park on the foothills, and is country estate property. It is just back of the two trees which you spoke of as being near the Alameda de Los Pulgas Road. I do not seem to have all of the Sharon sales here, but there was the Callaghan property in August, 1911, 14½ acres of very highly improved property. They had a residence that was worth, according to their statement, \$17,000 or \$18,000. I think the residence was worth half of \$18,000, and easily worth \$14,000 or \$15,000. That property was sold for \$27,500. There was also the Mezes property sold to Mr. Sharon, and my recollection is that it was in the neighborhood of \$250 an acre. That property runs all the way along the Welch Road, or that part of the road that cuts across to what we call the Sand Hill Road; then it also fronts on the Sand Hill Road, which is quite an important thoroughfare. The Welch Road is only good for a short distance. It is a very good piece as far as the Muleahey entrance. This property is away back of the Muleahey place. The Schlessinger property

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3645 is on the main Welch Road. Mr. Sharon, as the successor of the Mezes, owns to the center of the road, and the east half of it has never been opened. I cannot recall the acreage; it is quite a large tract. I think it is worth more than the Burke property. I cannot recall whether there is live oak on it or not. It was somewhere in the neighborhood of 100 acres. In most cases we made the sales to the Sharons. That is, the transaction was conceived by us as logical, and presented to Mr. Sharon.

3646 There were a number of properties totaling 29.75 acres owned by George Bacheldor and others, which were conveyed to Mr. Sharon in June, 1912. The price was \$54,040. They lie along the first ridge above the flats back of Menlo Park. The sale was made at one time, and was a single sale, lining up all the properties at once. I cannot tell you the price we paid Bacheldor. The Bacheldor property was near the crest of the knoll across from Mr. Hamilton's place. It is very much more desirable, and the view is very much finer than the Burke property. The piece in itself is not more beautiful.

3647 The Schlessinger place was on the Welch Road leading in past the Hamilton and the Sprague places. There is quite a dense growth of scrubby oaks on the northeasterly side of the knoll. There is not a single tree that I will characterize as a good tree, but the growth has a very attractive quality to it. I think it sold for either \$8,500 or \$9,000, and it had quite a good sized orchard, and a bungalow on it. I do not think that the bungalow was necessarily a detriment to the property, or the orchard. Most of the trees were prune trees, and I think they had had fair care. I do not think this piece
3648 is very comparable with the Burke piece, it is so different. It would be very much easier to sell it at relatively the same price than the Burke property.

If you could get 16 acres of the best Burke tract, and against that had the 16 acres in the Schlessinger tract, I would think that the Schlessinger piece would be the more readily salable as a country estate if the prices were properly adjusted. At \$850 an acre for each of the pieces, there is no question but what the Schlessinger would be the better.

3649 I know the piece owned by Mr. Warren, and my recollection is it is about 32 acres. I do not know what that sold for, although I have heard. It is quite an attractive piece of property, but there are parts of the Spring Valley that are as attractive. Acre for acre, I think there is property on the Spring Valley property, the market value of which is as great as the market value of the Warren tract, which sold for \$800 an acre. If you were to cast aside all considerations of wholesale or retail, I would say that portions of the land
3650 in Parcel 90 were much more valuable than the Warren tract. I think you could safely estimate that all that portion of Parcel 90

near the point that butts out into the lake has a market value equivalent to the market value of the Warren property. The portion that I had in mind when I was speaking of the point, is Unit 10. If you took Units 8, 9 and 10, you would have the same general basis of comparison. My average value in my segregation of Units 8, 9 and 10, is about \$420 an acre for 86½ acres, or apparently a trifle over half the price at which the Warren property sold.

I know the Mulcahey property, but I have forgotten the acreage. I believe he paid \$350 an acre. I could not tell you whether there are live oak trees on that property or not. I know that in that district the majority of the trees are white oaks. There are a great many people who prefer the white oaks, particularly the weeping white oak, to the live oak. I presume that Mr. Mulcahey gets his water from the Bear Gulch Water Co., and assume that he has to pump it up to his own premises, which are considerably above the road.

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I am quite sure that I am right about the price I gave you on the Santos property. I have the deposit receipt here, signed by Mr. Santos, upon which the sale was made and closed, and the price was \$9,000, and the acreage 191.27.

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I conducted a sale from Orton to Connolly, of property known as the Orton Ranch, on the Sierra Morena Ridge, sloping into the lower Woodside Valley, although it did not reach the valley. It was supposed to contain 147.73 acres, and the price was \$15,790, or a little over \$100 an acre. The property lies very close to the crest of the ridge, and slopes down toward the floor of the Woodside Valley; runs from the Morsehead property on the north to the Ham Gulch on the south; it contains several large springs which form quite a little brook, and Mr. Connolly bought it because of the springs. It is not rough property, but it is steep. The major part of it is cultivated year in and year out. Some of it in Ham Gulch and in Neal Gulch is brush-covered.

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I had something to do with the purchase by Connolly from Hatfield; that property is directly below the northerly portion of the Orton property; runs down to the road that is called the Searsville Road, and includes also the portion which Mr. Fitzhugh now owns across the road. The price was \$72,500, and the acreage 344.13. It was a little less than \$200 per acre. It includes the property which Mr. Fitzhugh purchased from Greenwood, which contained the steep property in the gulch. The Connolly residence is on the Hatfield place, and there are steep parts leading up to it, but he has been able to make a mighty good road. That land is mostly under cultivation, all but the part right down to the gulches. Mr. Connolly's house is on a bench on the side of the mountain. The mountain above Mr. Connolly's house has some very steep parts. Back of Connolly's

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3655 house there are a series of benches and steep grades in between, and below it is the same general type, but much less abrupt.

Questioned by Mr. Searls.

I took Mr. Connolly to the place before the roads were built.

CROSS EXAMINATION BY MR. MCCUTCHEN.

I went up to where his house is without any road. The house is a little southwest of the Portola Store. When you stand at the Portola Store and look westerly, you look at the east slope of that portion of the Sierra Morena Mountains south of the Kings Mountain Road; now it is all a mountainside, but not so very steep, excepting in parts. The Connolly hillside has been farmed.

3656 A picture of the Connolly property, taken from the Fitzhugh property, was taken in evidence and marked "Exhibit 81".

It was a part of this tract that was later conveyed to Fitzhugh, consisting of 52.87 acres. That came about in this way. Sawyer sold to Greenwood, and before the deal was closed, the land was resold to Mrs. Fitzhugh, so that the title passed directly from Sawyer to Fitzhugh. Sawyer paid \$11,000 on that 52.87 acres. Fitzhugh paid \$20,000 for it, and Greenwood paid \$15,000 for it.

I was concerned with the sale from Peter Faber to Law, in 1912.

Questioned by Mr. Greene.

3657 The resale to Fitzhugh amounted to \$375 an acre.

CROSS EXAMINATION BY MR. MCCUTCHEN.

Faber sold to Law in 1912, I think, and I have a note here that Greenwood paid Faber \$10,525. Law paid Greenwood \$1,000 for his contract, and he paid something like \$625 for my services, and that would be \$1,625 plus the Greenwood price. It was about \$12,000, or a little over that Law paid for that bottom land through which the Corte Madera Creek runs. Law made a purchase from the American Land & Water Co., of $19\frac{1}{4}$ acres. He paid \$2500 for a strip of land on both sides of the gulch, down which quite a supply of water flowed continually all summer, and he wanted to get both sides of the gulch without taking any more of the 800 acre tract that the company owned, and after considerable negotiating, I got the company to split out that little strip, including the water, and including one large spring. Mr. Law also paid a certain amount for special services, but that had nothing to do with the purchase so far as the corporation was concerned.

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I have always understood that the Family Club made their original purchase at \$500 an acre.

I do not know of my own knowledge what Mr. Diamond paid for his purchase of 55 acres. I had in mind \$350 an acre. It is quite steep land, but it lies along the road, and directly opposite the Family Farm. I know of the sale from Needler to Connolly, of 165

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

acres at La Honda. The sale Alexander to Law consisted of 102 and a fraction acres, and the price was \$22,812.50. The price was not \$30,816. It was paid on very easy terms, something like \$4,000 or \$5,000 cash, and the balance on a mortgage of, I think, three years. The money passed through our office. I know of the sale from Servau to Graves, but I do not know the price. That property compares with the best of the Spring Valley property only in a general way. It is not exactly comparable, excepting as one district may be comparable as a whole to another district.

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I know the property sold by Mary Shine to C. E. Green et al very well. It is not very desirable property, excepting in parts. The growth is rather unattractive. If you will eliminate the yellow hill from the Burke tract, I would say that the Burke tract is better. I depreciate the whole of the Burke tract because of the presence of that yellow hill, and with that exception, the Burke tract is more attractive and more salable. I sold that property at about \$225 an acre, but I should add that the purchaser forfeited his \$2500 deposit, and the sale collapsed.

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The sale of Byrne to McCarthy was at the corner of Canada Road and Green Road. The Green Road is the main entrance to Mr. Sharon's property from the Canada; he generally uses it as his back entrance; Mr. McCarthy uses it as the main entrance to his property. The Green Road runs perpendicularly and westerly to the Canada. This property, I should judge, is about a mile and a half northerly from the store at the cross-roads at Woodside. It is about half a mile south of the little narrow tract that I valued at \$236 an acre. I understood that the Byrne-McCarthy property sold at about \$300 an acre. I do not know whether it sold for \$350 or not, as I did not have anything to do with the sale. It is a different type of land than the Beatty place further north, and had a fairly presentable house, which could have been remodeled into a very attractive place; it is all practically flat land, and lies between the olive orchard which is the McCarthy property and the Canada. I would not take the Bassetti piece as a basis of comparison, because the Byrne piece is flat land, and the other is all rolling land, with the exception of a small strip. It is possible that you could pay a very good income on that land in strawberries. There is water flowing in the little shallow cuts. It runs off most of the year. The dryness of parts of the Hooper property is notorious, as is the dryness of the Woodside district. I do not think that you would be more apt to find a market for strawberry land than for country estates. To a buyer of a country estate, in my opinion, it is more attractive than the Bassetti property.

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I know the property purchased by John Fassio from the Moxey Realty Co., at Woodside, but I do not know what was paid for it. The property purchased by Graves from Munson I know, and it is

not very far from this McCarthy purchase; I think it is across the Green Road a little further south. I do not know whether he paid \$333 an acre for it, but he told me once that he would give \$350 an acre for it if I could get it for him. This Fasso property is about half a mile from the Beatty property, but it is not as attractive as a country estate.

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I know that a sale took place from Young to Doxey, for property right back of Redwood City; part of it I think within the city limits of Redwood, and just north of the easterly part of the Bostwick Ranch, which is now the Hooper tract. I did not have anything to do with the sale by the Sharon Estate Co. to the Foothills Development Co., of some property near San Carlos, though I know of those purchases, and I have heard of what prices were paid. George Ross sold his piece near Belmont to the same man who bought that Sharon property you have just spoken of. My information is that he got about \$50,000, but I don't know how correct it is. The acreage is about 50 acres, and it is a very highly developed place in parts. The section is very windy and unfavored, but Mr. Ross's place is on the first hill adjoining the railroad and highway, and quite well protected. I do not know whether that sold for \$1100 an acre or not, and I would not want to hazard a guess as to what the improvements on that property cost. The building does not look from the train as though it cost more than \$7500.

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I know from the records of a transaction between A. S. Barron and the Warranty Investment Co., covering property just north of Beresford. I should judge that that was in the nature of one of the subdivisional contract sales.

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I saw in the record of a sale from Antone Borel to C. A. Jane. Beyond that I know nothing of it. That property may be in Hillsboro, but I don't know of my own knowledge where the property was. I do not know how far south the Hillsboro line runs, but I understand that the Hobart property sold to Clarke is not in Hillsboro, but is in San Mateo, so that I imagine that must be not far from the line.

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I know of a sale at Woodside from Prentiss C. Hale to Meyerstein. It is right in the heart of Woodside, about just south of the junction of the Kings Mountain, and the Mountain Road—this latter road runs from Woodside along the base of the mountain, between the Folger and Hooper property.. That was not improved property; some of it is steep. I do not know the price paid for it. I know Mr. Hale wanted to get \$1,000 before he sold to Meyerstein, but I do not know what he did get. I have not the exact acreage. The property is right in the floor of the valley, further north than the McIntosh property, and on a different road. This property is on the Mountain Road, at the junction of the Mountain Road, or what is usually called the Woodside Road. I do not know whether that property

actually sold for \$16,000 or not. I think Winkler owned the property before Hale bought it. I have heard that Newman sold his land on the Mountain Road practically opposite the junction of that road with the Bear Gulch Road. I do not know the price paid for it.

Sharon sales: December 15, 1910, the Bellview Improvement Co. to Sharon; 65.82 acres, \$42,784, or \$710.80 per acre. That was a portion of the front ridge. The character of the trees is rather stunted compared with the trees at Menlo, and to some of the trees of the Crystal Springs Valley. Mr. Sharon bought all of this land for a very special purpose; seclusion, and the character of the trees had nothing to do with his buying the land. A sale December 15, 1910; Dugan to Sharon, 10.8 acres, \$6300, \$583.35 an acre. January 15, 1911, Mezes Estate to Sharon, 173.87 acres, \$35,000, or \$201.30 an acre. January 10, 1911, Sawyer to Sharon, 23.58 acres, \$14,850, \$621 per acre. June 15, 1912, Moulton and Geo. Bacheldor and others, 29.75 acres, \$54,045, or \$1816.60 an acre. That has a very good quality.

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Questioned by Mr. Searls.

The Bacheldor piece cut right into Mr. Sharon's property, and was along a ridge which was very offensive to Mr. Sharon's outlook.

CROSS EXAMINATION BY MR. MCCUTCHEN.

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It cut into his property. Mr. Sharon's line was an irregular line along the front. The Bacheldor property did not lay on the opposite side of the county road from the Sharon property, I am quite sure, as there was no county road; there was a private road. It was not a well-traveled road between the Bacheldor property and the Sharon property. September 11, 1911, sale of the Callaghan property, 14½ acres, for \$27,500, including the improvements. That figures about \$1,090 an acre, or if you deduct \$14,500 for improvements it seems to figure at \$896.50. I have not a photograph of that Callaghan house with me. That is all the Sharon property, totaling 318.32 acres, excepting the well site.

I sold quite a little land all through that country, Los Altos, Woodside, and in the district which I described as the favored district.

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Questioned by Master.

The reason that the Mezes piece is at \$200, is because that property lies westerly of Mr. Sharon's outlook; it is simply a fair valuation of what that kind of land was worth at that time. These other parcels had a very special purpose for Mr. Sharon; they were obnoxious in his view. He was extremely fussy along that line, and wished to eliminate all land that he looked out on from foreign ownership. The Mezes property lies west of his house, but the Pulgas Ridge does not come down that far. There is a ridge which divides that land from Woodside, but it is perhaps not known as the Pulgas Ridge. This property lies quite a little ways south of the Hooper property. This Mezes

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land is not hill land, it is undulating land, gently rolling you would call it, covered with scattering trees, oaks.

CROSS EXAMINATION BY MR. MCCUTCHEN.

It is not undesirable land. It is very valuable land and very desirable land. It is desirable land for a country estate.

FIFTY-THIRD HEARING.

OCTOBER 29, 1915.

Witness: NORWOOD B. SMITH, for Defendant.

CROSS EXAMINATION BY MR. MCCUTCHEN.

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In making the purchases of the front ridge, there were peculiar reasons influencing Mr. Sharon. The first purchase was the Mezes land, the sale of which was on the 15th of January, 1911, and the date of the Bellview and Dugan sales is given as the 15th of December, 1910. I am certain that while those dates of closing may be correct, that they do not indicate the time when the transaction started, and that the Mezes sale started prior to the other sales. I think the Mezes sale was just about right at the time it was made. When Mr. Sharon made the Mezes purchase, it was the owner of the land who sought us to try and sell it, and it was after an effort to sell the land to Mr. Fleishacker which failed, that we presented the proposition to Mr. Sharon. In the case of the Mezes matter, that conveyance was not taken in other names, unaware of the fact that Mr. Sharon was the buyer, but that was the case with some of the others. When we purchased the Bellview and Dugan properties, I do not think we told who the purchaser was.

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(Counsel for Plaintiff stated that in the condemnation proceedings instituted by the Southern Pacific Co. to acquire a right of way between the arm of the Middlefield Road and the San Francisquito Creek, the jury returned a verdict for \$10,000 an acre, and the Court afterwards made an order granting a motion for a new trial, made by the Plaintiff, unless the Defendant would reduce the verdict to \$6,000 an acre. Counsel for Defendant advised that it would be admitted that the jury brought in the verdict, but inasmuch as that verdict was set aside by the Court, it would be objected to, and that they would look into it).

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When I stated that the Horace L. Hill property was more accessible than the lands in Crystal Springs Valley, I had in mind automobiles, but it would not make very much difference, because of the ease with which the two properties can be reached. If one wanted to reach the Horace L. Hill property by rail and automobile, he would either go through Los Altos or Mountain View, and if he went to Los

Altos, he would probably go to Palo Alto and take the electric car. He would do that usually, unless he went to Mountain View and motored up, which would be the logical thing to do. I know of the purchase by Mr. Phelan of the property upon which he built a residence at Saratoga, but I do not know what he paid for that land. I do not know what proportion of his land is rough, or what proportion was planted to fruit, or what was open. I have no idea of the boundaries of his holdings. I do not recall exactly whether I stated that the gore formed by the two arms of Pilarcitos Lake had had a higher valuation placed upon it by me than I would have placed upon it if I were considering that parcel by itself. I remember making some statement relative to a part of that ridge, but I think it was not the Spring Valley Ridge, but the lower end of the Fifield Ridge, overlooking the San Mateo Dam No. 1. It may be that we were referring to Parcel 106, which lies across that ridge.

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Parcel 2 is valued as a unit, but in connection with the balance of the land, and whether it would have been worth more or less if I had not valued it in connection with the balance of the land, would depend on certain conditions. For instance, road conditions; whether there was a public road or not. I would have to have some things of that sort in mind. I would value certain portions of this tract higher if I had considered them as parcels; as a uniform proposition it would probably be valued higher, but only if it would not glut the market. I think I would have valued portions of Parcel 2 higher, and a portion of it lower; for instance, the portion which cuts into the point of Spring Valley Ridge would be worth less as a separate parcel, because it was not an integral part of the bulk of Parcel 2. I must have subdivided Parcel 2, as the country is so broken up there that it would be impossible to get any idea of its value without grading it. According to my notes here, the little portion that cuts into the lower point of Spring Valley Ridge I graded at the time at \$225 an acre. The strip that runs across the northerly point of Cahill Ridge, and lies within Unit 15 of Parcel 164, I graded at \$125 an acre. There are altogether in Unit 14, 5 acres of the \$225 land, but I cannot tell you how many acres of the \$125 land, because it is that strip which runs over the point. There seems to be a portion of Unit 6 of the same parcel which I graded at \$250 an acre; I cannot tell you how much there is of that. I do not think I have anything at \$275 an acre. I made these notes on the ground, and have apparently put \$275 on the entire parcel. The probable reason was that the portion of some of these parcels when I went on the ground to rearrange it according to the Spring Valley map, was worth more than an average of the whole 15 acres. This is not speculative when you are on the ground, but I cannot make it any clearer than I have already.

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The witness was handed a copy of the list of sales, and was asked by Counsel for Plaintiff to give all the sales of 5 acres or more which

he had made in Woodside, to which he has not already testified. It was suggested by the witness that it would be easier rather than to eliminate those that have been spoken of before, to go right through the list, and that procedure was agreed to by Counsel for Plaintiff.

3678 Halliday to Sharon, April, 1911, 363 acres, \$31,750, or \$87.47 per acre. Dixon to Sharon, 19.92 acres, \$6,850, or \$343.86 per acre. That was part of the land subsequently bought by Morsehead. Sharon to Morsehead, March, 1911, 382.92 acres, \$42,600, or \$111.25 per acre. Compte to Forderer, March, 1911, 8.77 acres, \$9,000. The rate per acre, including improvements was, \$1,026.22. The improvements were figured as worth about \$6,000, and included a house, some small out-buildings, a fair barn, a pumping plant, and other garden improvements all of which were fairly good improvements. There is a depression which runs through that country, but it is high on both sides of the depression. The house is in the second part of the purchase, which is part of the high land; the northern part is also a part of the high land; the depression runs through the center practically from west to east.

3679 Selby to Patton, April, 1911, 23 acres, indifferently improved, but the improvements were figured in the transaction. \$3,465, or including the improvements, \$150.65 an acre. The improvements were figured at about \$1,200. That is now known as the Tillman property, and is just above the Diamond property.

Shine to Reis, May, 1911, 110.55 acres, \$25,000, or \$226.14 an acre. That is not the site of the present Reis home. That is the Shine property which was subsequently sold to Greene et al., which sale failed.

Kelly to Patton, May, 1911, 39.6 acres, \$3,000, or \$75.76 per acre; directly adjoining the Diamond property, and is a part of the same property, a portion of which Diamond subsequently bought. I said I did not know exactly what Mr. Diamond paid.

Romero to Greenwood, December, 1911, 245.19 acres, \$15,500, or \$63.22 per acre, now a part of the Connolly tract.

Smith to Greenwood, 5.7 acres, \$500, or \$87.72 an acre. To all intents and purposes up to that date property was inactive as far down as that in the Woodside Valley. Buyers had just begun to look to that neighborhood, after the sale from Halliday to Sharon.

3680 Greenwood to Law, January, 1912, 51.75 acres, \$12,130, or \$234.40 per acre. That was not part of the same property purchased from Romero.

The following sales concerning Greenwood and Law, and Faber, were all started probably in February, 1912; some of them were closed then, and some of them were closed later, so that probably it is unwise to give definite dates, because it appears from this memorandum that sales which in reality were closed, although not closed of record, anti-dated re-sales.

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

Faber to Greenwood, February, 1912, 61.1 acres, \$10,525, or \$172.26 per acre. That is a portion of the land which I have just reported as sold from Greenwood to Law at an earlier date.

Faber to Greenwood, May, 1912, 10 acres for \$800, or \$80 an acre.

Faber to Greenwood, May, 1912, 241.88 acres, \$20,000, or \$82.69 an acre.

Clamer to Drexler, May, 1912, 21.83 acres, for \$12,600, or \$577.19 an acre; lies between the Servau property and the Zane property, directly opposite a portion of the Hooper property in the heart of Woodside. Some very fine madrone and white oak trees on portions of it. There are live oaks along the road. The madrones are very large and beautiful. The portion nearer the road where Mrs. Drexler intended to build, and did build, is very beautifully wooded, but the balance of the tract was comparatively open and bare of trees. I regarded it as one of the most attractive pieces of property at Woodside, and it also has a very fine spring.

3681

Faber to Greenwood, May, 1912, 260 acres, \$15,000 or \$57.69 an acre.

Greenwood to Hooker & Lent, May, 1912, 512.19 acres, \$47,500, or \$92.74 an acre. A part of it very nicely wooded. It begins to get out of the dry region, and is bordered on two sides by living streams, the Los Prancos and the Corte Madera Creek on the other side. By living streams, I mean they are living throughout nearly every year, never before the three dry years that we had, to my knowledge, had those creeks been dry.

The Arastravedo Road is the road which passes the cemetery.

3682

Judge Alexander to Harold Law, June, 1912, 102.72 acres, \$22,-812.50, or \$222.08 an acre.

Faber to Sawyer, October, 1912, 40 acres, which subsequently turned out to be 60 acres upon a survey, \$9,450, or \$236.25 an acre; lies between Judge Allen's place and the Martinez Road. It is all flat, with the Los Prancos Creek running through the center of it, excepting, perhaps, 7 or 8 acres. Looked at as a country estate, it would not be unattractive for a certain kind of buyer, but the country estate idea did not enter into that purchase. It was to be used either as an entrance to the Varonda Tract, or for the Payne property, or for Judge Allen, because at that time our office had on three large transactions involving certain development work which would have followed the consummation of any of them, and this piece of property was really the key to the situation. It was sold as an independent tract, and the man who bought it did not get any of the other properties I have spoken of, but he sold it to one of the owners of the independent property.

3683

Hatfield to Connolly, November, 1912, 344.13 acres for \$72,500, or \$210.68 an acre. That included some improvements; a large lake and an earthen dam, which Hatfield thought had cost him a great

deal of money; also barns, and things like that. Those barns were not removed. They were utilized and are in use today.

Orton to Connolly, November, 1912, 147.73 acres, \$15,790, or \$106.88 per acre.

3684 Greenwood to Connolly, November, 1912, 260.24 acres, \$28,000, or \$107.59 an acre. For the most part very like the Connolly open fields. The portion where his house is. It is the side of the mountain, sloping into the valley. Nearly all of it is cleared, and has very fine fields. Two rough portions; one a high peak that has very much the appearance of a castle site, which was an influence in selling to Mr. Connolly; it drops off quite precipitously into the gulch dividing the Hatfield place from the Romero or Greenwood tract; the other rough portion slopes down into Corte Madera Creek, and is quite precipitous. The growth is somewhat scrubby in parts, but very beautiful along the creek. That rough district contained about half a mile on both sides of the Corte Madera Creek and Martinez Road. The portion which is practically flat lies in Strawberry Bend, which is an arm of the Martinez Road, and adjoins Mr. Law's property on the south; Mr. Law subsequently bought that portion. Patton to Tillman, November, 1912, 26.6 acres, \$8500, partially improved, or at the rate of \$319.55 per acre. The improvements amounted to about \$1200, a cottage and some barns. The land itself, eliminating the improvements, would be reduced slightly below \$300 per acre.

Sawyer to Sachs, January, 1913, 52.37 acres, \$14,500, or \$276.88 an acre. That is the strategic piece that I was speaking of before, the flat land lying between various properties and the county road. Sachs was the owner of the Baronda property of 1700 acres, which had only a private road as an entrance.

3685 Connolly to Sawyer, February, 1913, 52.97 acres, \$11,000, or \$208.06 an acre. Connolly had purchased that from Hatfield. It was a part of his 344 acre purchase. There is quite a knoll at the front part of the 52 acres between the road and the flat at the back. There was none of the mountain land in it.

Baronda to Brown, February, 1913, 10 acres, \$500, or \$50 an acre. A strategic piece which lay between the Brown ranch which is between Connolly's Romero purchase and the Rengstorff property; it was a strip which lay between the northerly line of the Brown Ranch and the center of the gulch. It was important for the Browns to get that, and they employed me to get it for them.

Sawyer to Greenwood, May, 1913, 52.87 acres, \$15,000, or \$283.75 per acre. That is the Fitzhugh tract.

Greenwood to Fitzhugh, June, 1913, 52.87 acres, \$20,000, or \$378.29 per acre.

Faber to Noyes, July, 1913, 31.57 acres, improved, \$4,000, or \$126.70 per acre. The improvements were estimated to be worth

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

\$1700, and comprised a house of about 7 rooms, a large barn, pumping plant, and other things.

William Nehman to Fitzhugh, August, 1913, 3 acres and a half, \$4,200, or \$1200 an acre. We have gone into that, and into the matter of improvements and location.

Patton to Peters, August 1913, 28.74 acres, \$5,500, or \$191.37 an acre. That included development in the matter of pipe lines, and adjoins the Tillman property on the sidehill, above the floor of Woodside Valley, overlooking the valley. It is not rough property. There is a portion of it that is heavily covered with brush, and is rough, and has a fine growth of redwood, but I think the greater portion of it is entirely cleared excepting for rather fine oaks, most of them being live oaks. Hardly any of it is precipitous. 3686

Gingg to Hyde, January 1914, 22 acres, \$4,150, improved, or \$188.64 per acre; that is back of Stanford University, and very near the Judge Allen property on the new road which they are building there now. It is about 3 miles from Mr. J. Henry Meyers' place. I would not say that that is an unattractive country compared to Spring Valley's property. That is all of the Woodside District. If you take the lower end of Woodside Valley as a whole, there is absolutely no question about its being more attractive than the Spring Valley country as a whole, and this is in the lower Woodside Valley. I do not think that the drainage from Woodside is out that way. Out where the road runs there is a very well defined valley, the Los Francos Valley. The floor of the valley is quite narrow at Chapette's store. There is a little more than the creek there, as there is a strip of comparatively flat land all along there. This land is about three-quarters of the way from the wayside store to the junction of the Martinez and Searsville Roads. Most of the Gingg land is hilly and rolling. It is cleared land, all of it, except one little gulch. There are some oak trees, and a heavy growth of willows where there is a large spring, and also a few artificial trees. 3687 3688

Noyes to Gingg, January, 1914, 32 acres, \$6,000, or \$187.50 per acre. That was improved, and the improvements were worth about \$1800.

Lynch to Hooker & Lent, February, 1914, you referred to that as Collins to Hooker & Lent, and it may be that Collins was the grantor—18.37 acres, \$4,415, or \$240.34 per acre; lies strategically between the Judge Allen property, and the Los Francos front of the Hooker & Lent property.

Gingg to Ebeneter, April 1914, 10 acres, \$3,175, improved, \$317.50 per acre; improvements were worth about \$1200 or \$1300.

Smith to Law, December 1914, 5.38 acres, \$1,000, \$185.87 per acre.

Connolly to Sawyer, December, 1914, 5 acres quite highly improved, \$7,500, or \$1,500 per acre, including the improvements. Mr. Connolly figured the improvements were worth over \$5,000.

Rengstorff & Brown to Law, March 1915, 265 acres, \$16,500, or \$62.26 per acre. It was necessary to combine these two sales, because there was no way to ascertain the separate acreages. It was an adjustment with the Browns relative to their lines, and taking in all of the Rengstorff property.

American Land & Water Co. to Law, March 1915, 19.25 acres, \$2,500, or \$129.87 an acre. That price was explained yesterday.

3689 Quinn to Brown, April 1915, 11.36 acres, \$2,500, or \$220.07 an acre; a piece of Mr. Fleishacker's property, and is directly between Mr. Fleishackers and the road which adjoins the Kings Mountain Road very nearly opposite the northerly line of the Whittell property. That is all at Woodside.

Questioned by Mr. Searls.

The total acreage, including one or two very small pieces, was 3,955.56; that includes those two or three pieces that I passed. The selling price is \$538,712.50, including the improvements and the other pieces, and the average is \$136.19 per acre, which also includes those improvements.

CROSS EXAMINATION BY MR. McCUTCHEN.

If you were to exclude the early sales of some of those properties, and include only the sales where a second sale had been made just prior to December, 1913, you would get a much higher average, but you would be on an entirely different basis.

3690 The next is the district we call the Woodside Ridge; that is land along the ridge above Woodside, and in a measure is influenced by the Woodside District.

Kelly to Dixon, 339.2 acres, \$17,000, or \$50.12 an acre.

Scofield to Black, 132.04 acres, \$4,290, or \$32.49 per acre.

Dixon to Santos, 190.56 acres, \$9,000, or \$47.23 per acre.

Patton to Mayor Rolph, 453.33 acres, \$20,500, or \$45.22 an acre, including considerable road development, a six room house, a concrete wall around a spring, and considerable pipe line. Mr. Rolph gets to that property off the Martinez Road, and it is about 2 miles above the point where we stopped and overlooked the Law properties. I imagine Mr. Law ordinarily goes in by the road back of Los Altos, if he is going to the balance of his ranch which lies up on the crest of the ridge. Not all of it is very rough property. Parts of it are, but some of it has the finest fields in the country. I regard that as country estate property in competition with the Spring Valley property. A man could go back and forth to San Francisco from there every day in the summer, but he could not do it in the winter at the present time. I drove Mr. Rolph from San Francisco,

3691

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

leaving at two o'clock, by automobile, to that property, went all over his own ranch, which is 1200 acres more or less southwest of this, stopped and talked with his neighbors, and got him back to San Francisco by eight o'clock. The most appropriate station to this property is Palo Alto, and the average time by train from San Francisco to Palo Alto is one hour. You can very easily reach that property in forty minutes from the station, which would make an hour and forty minutes from San Francisco. He would get to the property in the winter along the same roads, but of course during storms, or immediately thereafter, the road is almost impassable; you cannot go over it except with great discomfort.

Langley to Noyes, 535.27 acres, \$14,000, or \$26.16 per acre; there are some improvements there. This property is comparable to the district of the Spring Valley properties northwest of the Pilarcitos, only it is very much better as a ranch than any of those ranches as they exist there today. The Rolph purchase, as a part of a composite idea of the country, is comparable with portions along the ridges which is capable of similar development; I have in mind generally the Sierra Morena Ridge, and parts of the Cahill Ridge. I do not know whether Mr. Rolph was looking for a farm or a stock ranch when he bought that property or not. I suggested to him that he ought to buy that ranch, and told him that it had a special value for him in that it gave him an entrance from the floor of the valley, which he did not have, and he subsequently bought it. I presume I told him it was valuable ranch property. I told him everything I could think of that would appear as an asset in his mind.

3692

I have some sales in the Menlo District:

Newhall Co. to Dr. Louis P. How, July 1911, 37.75 acres, \$6,000, or \$158.98 an acre; about a mile beyond the Meyer place. Dr. How is a nephew of Mrs. Drexler. All of these prices that I give, as a rule, contain a 5% commission which I received.

3693

Callaghan to Sharon, August 1911, 14½ acres, \$27,500, including the improvements, or \$1,896.55 an acre.

Church to Sharon, September 1911, 22½ acres, \$11,000, or \$488.89 an acre; lies between the Santa Cruz Road, and Valparaiso Avenue, and directly east of Mr. Shine's pump works. It is down on the flat.

Meekins and Boudreaux, September 1911, 7.13 acres, improved, and including considerable personal property. \$9,250, or \$1,297.33 an acre. The improvements consisting of a house, barn, wind mill, pumping plant, chicken outfit and orchard, Mr. Meekins figured worth about \$6,000; I didn't think they were worth that. That property is at the corner of Middle Avenue and another road, the name of which I have forgotten. It is west of the state highway, and right across the street from Stanford Subdivision.

3694 Church to Sharon, December 1911, 15 acres, \$7,000, or \$466.67 an acre. That was an additional part of the same tract, a portion of which Mr. Sharon purchased prior to this.

Church to Sharon, January, 1912, 7½ acres, \$4000, or \$533.33 an acre. That was not hill land, it was a piece of the flat land. Sawyer to Sharon, January, 1912, 23.58 acres, \$13,837, or \$586.81 per acre. That was right at Mr. Sharon's entrance, just west of the Alameda de Los Pulgas Road, and almost including the west portion of Santa Cruz Avenue extended. That was Mr. Sharon's main entrance. His idea in purchasing this land was to get rid of the danger of shacks. It was owned by some people whom he was afraid of.

The next is the Bachelder et al purchases that we spoke of yesterday, June 1912, 29.75 acres, \$54,045, or \$1,876.64 an acre. Some of those Sharon purchases, aside from the Callaghan, contained improvements of a minor sort; I don't suppose the total value would be more than \$5,000. There were no improvements on the Bachelder place.

Burke Estate Co. to Greenwood, March 1913, 264 acres, \$35,000, or \$132.58 an acre, including improvements. The improvements were insured for \$7,000.

3696 Greenwood to Snieder, March 1913, 264 acres, \$38,700, or \$146.59 an acre—the same property. This property is almost directly opposite the Dr. Louis P. How property, about a mile or so west of the Meyers property.

Masters to Sawyer, July 1913, 12.4 acres, \$4,275.35, or \$344.79 an acre. About three-quarters of a mile west of the state highway, on Middle Avenue, directly west of Stanford Park and Menlo town.

Harry Blackwood to W. R. Hoag, August 13, 1913, 30 acres, \$15,600, or \$520 an acre; lies between Middle Avenue and Santa Cruz Avenue, across from Stanford Park, and practically adjoining the subdivided area of Menlo.

Adams Estate to Sawyer, February 1914, 12.4 acres, \$4,388, or \$353.87 an acre; adjoins the land that Sawyer bought from Masters, and which I have described above.

Snieder to Hill, April 1914, 264 acres, \$55,000, or \$208.33 an acre. That is the Burke Estate property, and was a trade; no cash passed. We are offering that property for sale now, but at no definite price other than \$55,000 trade value. Mr. Hill would like to get \$75,000 for the property I understand.

Sawyer to Connolly, December 1914, 24.79 acres, \$12,500, or \$504.24 an acre. A little cash passed in that transaction.

Mayhew to Raiss, April 1915, about 4 acres, very highly improved, for \$12,725. That was sold in open court by a bankruptcy sale.

Questioned by Mr. Searls.

3697

The total acreage of this district is 1,044.18; the total selling price is \$321,617.55, or an average price of \$308.01.

CROSS EXAMINATION BY MR. MCCUTCHEN.

With the exception of the Sharon transaction, and one or two transactions in the flat country, there is a good deal of land here that is not in the densely built up portion of the Menlo District. There are some sales in here which are in the very heart of the best Menlo District. I have a note in this list: There are three omitted sales made to Mr. Sharon, Bellview to Sharon, 65.82 acres, \$42,784, or \$710.80 an acre; Dugan to Sharon, 10.8 acres, \$6,300, or \$583.35 an acre; Mezes to Sharon, 173.87 acres, \$35,000, or \$201.30 per acre.

I would not say that the Gingg sales, or the property included in those sales to Mrs. Drexler, would be exactly comparable to the property at Woodside.

The next is the Los Altos District: Ober to Griffith, November 1911, 6.75 acres, all in apricots fully grown and bearing, \$6,250, or \$925.93 an acre; lies directly opposite the Edith Avenue Road, which runs from the Edith Avenue Station to San Antonio Road, and fronts on the San Antonio Road. It is all a dense orchard, and a part of it used to be some of the Jenkins property.

3698

Brown to Dixon, January 1912, 15 acres, in mixed fruit and nuts, \$5,150, or \$343.33 an acre. On the north line of Coloff Road, or Pine Avenue, and about halfway between the creek and San Antonio Avenue.

Bacheldor to Gamble, May 1912, 9.098 acres, \$4,210, or \$462.74 per acre; that land lies up on the hill about five-eighths to three-quarters of a mile from the road which runs out the valley, and is across the road from the Morgan place. It is nearer Los Altos than the Oliver property, and is on the south side of the canyon, whereas Olivers is on the north side of the canyon. It is fairly well protected from the western exposure by the increasing height of the hill as you go west. It is in an entirely different area from Dr. Schumate's property. It does not cover the bare hills back of Oliver's property. It is on the south side of Adobe Creek. The road that runs up to the old Sabin place, which I believe Dr. Payne owns now, is the road which you travel to this property, and as that road turns around the southeasterly corner of the main part of the Morgan place, you reach this property. That is practically an unused road after you get up to the Sabin place, I believe, but this property is before you get there, and right across the road from the Morgan property on top of the hill. It is unimproved, but it had a well, which meant quite a little in that district, and I understood they got water in the well.

3699

3700

Wright to Dixon, March 1913, 50 acres, \$15,750, or \$315 an acre; lies directly opposite the land belonging to Francis Costello; it is about one-quarter of a mile beyond the Fremont Avenue Station of the electric line, and practically adjoins the town of Los Altos. That is the property I pointed out to you the other day, and said could be bought for \$15,000, which would be \$300 an acre.

Sawyer to Turner, March 1913, 10 acres, \$6,000, or \$600 an acre. That had been improved by putting in an orchard, and doing a very great deal of grading. I think it is on Manuello Avenue. It is the first road leading off to the right from Fremont Avenue after you leave the Edith Avenue Station. It is in the foothills, and has a very fine view; it was that that sold it.

Bariohlet to Hill, June 1913, 184.94 acres, \$63,250, or \$340 an acre. That is next to the Morgan place, and the Payne place.

3701

Hanson to Hill, June 1913, 10 acres, improved with an orchard and small house and outbuildings, \$9437, or \$947.30 an acre; lies from the center of Adobe Creek across the Moody Road that leads off from Los Altos to the Hidden Villa properties, and the Alpine District, and also lies across a knoll from which there is a lovely view, and I think it goes to Elizabeth Avenue, although I am not sure of the name of the road.

Lucke to Sawyer, June 1913, 8.89 acres, \$5,789.50, or \$651.24 an acre; another one of the properties which lie between the center of Adobe Creek, and the Moody Road.

The improvements on the Hanson place were of a slight value to Mr. Hill; his workmen could utilize them; the fruit was of considerable value, and cut quite a figure in that sale to the purchaser.

Sanborn to Hill, June 1911, 29.11 acres, \$7,500, or \$257.64 an acre. That is the rough piece of land overlooking the point Mr. Hill intended to build upon. I brought that out particularly because at the time that was the reason why he insisted upon getting that 30 odd acres. That land was not pocketed.

3702

Smith to Hill, June 1913, 10.23 acres, \$10,000, or \$977.52 an acre, improved with berries and a house. The berries cut quite a figure with the seller and buyer; it partly induced Mr. Hill to pay what he thought too much for the land, and what we ourselves thought was too much, and it induced the seller to hold out for the price. I do not know whether Mr. Hill bought that on the advice of Simms & Means.

Bordieux to Chilcoot, July 1913; this is really in the Stevens Creek district, between Los Altos and Saratoga; 160 acres at \$750, or \$4.64 an acre. That is up the Stevens Creek Canyon, and is very rough country. It had a creek running through it, and a great deal of timber on it—oaks and fir. This property has a part in the valuation of any land in a district of similar type, or which could be used even remotely for similar purposes. I have no recollection

of remembering this particular parcel in fixing my valuation of Spring Valley, but it was certainly a part of a composite experience which figured in fixing the value.

3703

Gannon to Chilcoot, July 1913, 160 acres for \$7500, or \$46.88 an acre; that adjoins the former piece; it contains the east and west branches of the Stevens Creek; it also contains a very beautiful flat, which is known as Grizzly Flat. It is very heavily timbered. Stevens Creek lies almost west of Cupertino, and is the creek at the mouth of which the De Laveaga place is located. It is not the creek that flows past Congress Springs, but is the creek north of that.

Questioned by Mr. Searls.

From the railroad station Cupertino to this property is about $13\frac{1}{2}$ miles, and from Sunnyvale it would be a little bit further.

CROSS EXAMINATION BY MR. MCCUTCHEN.

3704

This property is just 10 miles from Simla, the nearest station on the electric road. After you leave Simla, you travel a fairly open country, and then you get into Stevens Creek Canyon; you go right up the canyon on a road very similar to the Pilarcitos Canyon road, and which is perfectly safe for automobiles, except in the winter. From Simla to those lands, you rise in 10 miles, to the best of my recollection, 1000 feet. The grade is hardly perceptible, except at one point, where they went up on the side of the hill to avoid a small slide. They were adjoining properties, and one was ten times more valuable than the other, due perhaps to the fact that there was more flat on it, more creek, and a better growth of trees. The growth on the \$4 an acre piece was oak, madrone and fir. The property had nothing else on it except its natural growth. I do not know that I had any particular piece of the Spring Valley property to which I compared these parcels; it is certainly comparable though with the district around the Pilarcitos, and down to Stone Dam, and more particularly down the canyon. I would hardly say it is comparable with the Callaghan property, Parcel 49.

3705

Chilcoot to Greenwood, July 1913, 320 acres, \$16,500, or \$51.56 an acre; the same property.

Locke to Abrams, August 1913, $7\frac{3}{4}$ acres, orchard, \$6,250, or \$806.45 an acre; is in the first rolling hills at the town of Los Altos, directly west; it is practically within, and may be within the town limits. It may be a little steep in the Robleda Canyon, but it is not very steep. It lies quite nicely. Mr. Abrams has built upon it, lived there, and commutes from it.

Goldsmith to Charles Patton, August 1913, 28.77 acres, \$6,000, or \$208.55 an acre; lies between the state highway and the Southern Pacific main line, at the corner of the Charlestown Road, which is the continuation easterly of the Arastravedo Road and the state highway. This lies on the west side of the railroad track, and extends to the state highway.

3705 $\frac{1}{2}$

FIFTY-FOURTH HEARING.

NOVEMBER 1, 1915.

3706-3712

Witness: NORWOOD B. SMITH for Defendant.

Discussion between Counsel and the Master in relation to the suggestion formerly made in regard to the appointment of an engineer, and also in relation to an alternative suggestion that instead of an engineer being selected, that each side shall designate an engineer to act for it, and that the two so designated shall sit down with his Honor and present their views to him with reference to the value of the structural portions of the property.

Witness: NORWOOD B. SMITH for Defendant.

3713

CROSS EXAMINATION BY MR. MCCUTCHEN.

Dominican College to Quinn, August, 1913, 18.72 acres, \$4,500, or \$240.38 an acre. This land is about a half a mile south from the waterworks in the town of Los Altos, and is on the west side of Fremont Avenue, or the road which parallels the electric line. There is a bare hill on this land, and at least one oak tree.

Abbuhl to Greenwood, August, 1913, 120 acres, \$2,000, or \$16.67 per acre; in the Stevens' Creek District, and adjoins the land we were discussing the other day.

Jenkins to Leonard, August, 1913, 30 acres, \$25,000, or \$833.34 an acre; all fruit land, and lies between the Peninsular Electric Railroad and San Antonio Avenue, along Edith Avenue, and adjoins the town line of Los Altos.

Charles Patton to Faber, May, 1914, 28.77 acres, \$18,916, or \$657.94 per acre. That was a trade, and lies at the corner of the State Highway and the Charlestown Road.

3714

O. P. Jenkins to Gingg, October, 1914, 19.8 acres, \$15,000, or \$767.58 per acre; also adjoins the town line of Los Altos and lies between the Peninsular Electric Railroad and the Yaeges Creek, or Adobe Creek. Gingg is some sort of an official with the Savings Union Bank in San Francisco. Sawyer, whose name appears very frequently in those transactions, is a doctor in San Francisco, and an operator who does business through us. These were all on his own account; we were interested to the extent of the commissions only.

RE-DIRECT EXAMINATION BY MR. SEARLS.

(These sales were allowed to go in at this time in order to save time, and with the understanding that Counsel for Plaintiff can cross-examine on them as they go along.

The following are from the La Honda District and Coast District:

Ralston Estate to Knepe, February, 1912, 200 acres, \$3,250, or \$16.25 an acre; lies in the Woodruff Creek Canyon, about a mile and a half towards Woodside from La Honda.

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

Woodhams to George A. Pope, February, 1912, 664 acres, \$53,421, or \$80.45 an acre. That is at La Honda.

Ackerman to Pope, May, 1912, 2.8 acres, \$3,000. That is improved.

Kneedler to Connolly, July, 1912, 165 acres, \$7,500, or \$45.45 an acre; comprises a part of the present Wilson Ranch or Crocker Ranch. That is in the Alpine Canyon of the La Honda District.

3715

Questioned by Master.

The beginning of the Crocker Ranch is about a mile and a half up the Alpine Canyon from La Honda, adjoining the southeasterly portion of the George A. Pope Ranch. If you include that portion of the La Honda Canyon, where we ran in on to the Pope Ranch, it is in a general way comparable with the general character of the Crocker land. The canyon is better, but the fields are not quite as good as the Pope field.

RE-DIRECT EXAMINATION BY MR. SEARLS.

There is redwood which has never been cut on three-quarters of a mile of Mendago Creek, which runs right over the Kneedler property.

Mars to Connolly, July, 1912, 355 acres, \$15,800, or \$44.50 an acre. That comprises the balance of what is the present Crocker Ranch.

CROSS EXAMINATION BY MR. MCCUTCHEN.

This is when it was sold to Mr. Connolly, before the Crockers became interested in the district. In selling to the Crockers it was a re-sale of this land and some additional land. The average price of these three parcels was about \$45 per acre.

Tacoma Mill Co. to Hooper, Connolly and Beatty, January, 1913, 875.94 acres, \$45,000, or \$51.37 an acre.

Connolly to Mountford Wilson, January, 1913, 530 acres, \$34,500, or \$66.35 an acre.

Questioned by Master.

The Tacoma Mill Co. land lies from a point about two miles toward San Gregorio, from La Honda to a point three miles southeast of La Honda, up the Alpine Canyon, and extends from approximately the Alpine Road which runs up the Alpine Canyon, to the top of the ridge to the south, dividing the La Honda watershed from the Pescadero watershed, and below La Honda it extends from the top of the foothills on the north across the San Gregorio Road, and to the top of the ridge dividing the Pescadero watershed. It includes both sides of the Alpine Creek and of San Gregorio Creek as far as it extended down the canyon.

3716

Rodgers to Mountford Wilson, January, 1913, 40 acres, \$10,500, or \$262.50 an acre; a strategical piece lying between the main portion of the ranch that went to Mr. Wilson, and the Alpine Road, and

it also controlled the creek and the fine portions which has a virgin redwood; it was a portion of the 520 acre ranch.

That piece that Mr. Wilson took went to him for Mrs. Crocker; it stood in his name for her, the purpose being to obviate the influence on some of the adjoining owners.

RE-DIRECT EXAMINATION BY MR. SEARLS.

Hooper, Connolly and Beatty to the Tacoma Land Co.—a re-sale of the 875.94 acres—January, 1913, \$57,500, or \$65.64 per acre.

O'Connor to Fitzpatrick, July, 1913, 985 acres, \$22,000, or \$22.34 an acre; lies from the top of the ridge between the San Gregorio and the Pescadero watershed, and slopes toward Pescadero Creek.

3717 It is primarily estate land, although it would have to be at a much lower figure than at La Honda, because it is getting a bit far off. You would have to rise about 500 feet over this ridge that I have spoken of. This tract of land is extremely beautiful from the estate point of view. The land went to Judge Fitzpatrick, of Redwood City, and I think he took it for more or less of a speculation. Mr. Hill bought it very shortly afterward to subdivide and sell off, but has never done so.

Baker to Schilling, July, 1913, 3 acres, \$1500. That was improved.

Tacoma Land Co. and Fitzpatrick to Hill, July, 1913, 1,348 acres, \$75,000, or \$55.64 per acre; comprised the 985 acres I spoke of a few moments ago, and about 460 acres of the Tacoma Land Co., lying along the creeks down into the La Honda country.

Tacoma Land Co. to Mountford Wilson as trustee, July, 1913, 61.79 acres, \$6,179, or \$100 an acre.

Tacoma Land Co. to Smith, July, 1913, 79.99 acres, \$8,000, or \$100.01 per acre.

Hill to Snieder, April, 1914, 1,348 acres, \$85,000, or 63.06 per acre. That was a trade, and is the same land that Hill acquired from the Tacoma Land Co. and Fitzpatrick.

Tacoma Land Co. to Sneider, May, 1914, 10 acres, \$1,000, or \$100 an acre; a strip lying between the center of the Alpine Creek and the center of the Alpine Road, extending from the Pope land to the junction of the Alpine Road with the Pescadero Road.

3718 Tacoma Land Co. to Peters, June, 1914, 26 acres, \$4,500, or \$173.08 an acre; lies practically opposite Hanson's log cabin that we passed, and takes in both sides of the San Gregorio Creek in part.

Tacoma Land Co. to Clarence Hayward, June, 1914, 4.44 acres, \$395, or \$88.96 per acre; adjoins the Hanson property on the west, and runs from the center of the road to the top of the hill.

Dixon to Liebes, December, 1914, 22.17 acres, \$3,000, or \$135.32 an acre; where Mr. Liebes has built, and about 2 miles the other side of the top of the grade.

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

CROSS EXAMINATION BY MR. MCCUTCHEN.

The average price per acre of the Crocker property, taking all the purchases, is \$81 per acre.

RE-DIRECT EXAMINATION BY MR. SEARLS.

Byrne-McKee to T. J. Hoover, March, 1913; an undivided interest, 40 acres, \$600, or \$15 per acre. Byrnes had half and McKee had half an interest in 40 acres. It is all in the Waddell Canyon.

Button to Hoover, March, 1913, 120 acres, \$1,579, or \$13.16 per acre.

Waddell Estate to Hoover, March, 1913, 840 acres, \$15,300, or \$18.21 per acre.

O'Neil and Connolly to Hoover, March, 1913, 160 acres, \$4,000, or \$25 an acre.

Bernheim to Hoover, March, 1913, 80 acres, \$1,200, or \$15 per acre.

Hartman to Hoover, March, 1913, 200 acres, \$4,500, or \$22.50 per acre.

Thompson to Smith, April, 1913, 400 acres, \$14,700, or \$36.75 per acre; it is in the lower corner of San Mateo County adjoining the Santa Cruz line.

CROSS EXAMINATION BY MR. MCCUTCHEN.

I was the Mr. Smith and bought the property for Sawyer. It lies at the lowest point of San Mateo County, adjoining the Santa Cruz line at the ocean, and is a very high-grade type of estate land. It is about a mile and a half north of the Waddell Creek country. I understand that this Waddell Creek property is in Santa Cruz County.

RE-DIRECT EXAMINATION BY MR. SEARLS.

Schwartz to Hoover, December, 1914, 160 acres, \$2,400, or \$15 per acre.

Shore Line Investment Co. to Hoover, December, 1914, 229 acres, at \$13,250, or \$57.86 per acre; a very large piece of land right at the entrance of Waddell Creek, and adjoining the government land which controls the beach; that portion has a considerable amount of farming land on it.

Brown to Sawyer, July, 1915, 159.63 acres, \$1,500, or \$9.40 per acre; adjoins the Shore Line Investment Co.'s property above.

Sawyer to Hoover, July, 1915, 159.63 acres, \$2,025, or \$12.69 per acre; the same property as above. That was a double trade in which all parties were advised as to what was going on.

Questioned by Master.

When I say trade, I usually mean an exchange of land. In that case I should have not used the word "trade", excepting in the case

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where it figured \$9.40; that was largely a trade by Sawyer with Brown of a South San Francisco lot for this tract of land at the Waddell.

RE-DIRECT EXAMINATION BY MR. SEARLS.

Martin to Noyes, August, 1913, 146.66 acres at Brookdale, near Santa Cruz, a couple of miles from Boulder Creek. It adjoins the railroad station land. \$1,000 or \$6.82 an acre.

CROSS EXAMINATION BY MR. MCCUTCHEN.

3721 The prices paid for this Waddell Creek land were the market values in retail parcels. I have never given any thought to what that property was worth after Mr. Hoover succeeded in getting those parcels all into one. If Mr. Hoover wanted to sell that land, I doubt very much whether he could get what it cost him. Assuming that Mr. Hoover did not want to sell the property, and wanted me to tell him what its value was, I would say to him, "I can tell you just what that land is worth in the market, and I can tell you also what you would get for it if you would subdivide it. In other words, what its retail value is." I would make the appraisal along those lines.

3722 I could hardly have said in the case of the Spring Valley lands that they are not worth as much in the hands of one owner as if they were owned by a number of people, because I do not know what the Spring Valley land cost. Their market value, as a whole, is just the same, whether owned by one person or by a great number of persons. When you asked me whether the market value of the Spring Valley property is as great as if it were owned by as many people as there are parcels, you are trying to compare the market value of a wholesale piece of land with the aggregate market values of retail pieces of land.

3723 Whether the market value is any less because they are owned by one person than if they were owned by as many persons as there are parcels, would depend, of course, on what you mean by market value. The market value of a small piece is very different from the market value of a large piece. If you mean they were all bought in at retail when they were purchased from the respective parcel owners, and you want to know what the whole thing is worth as a wholesale piece, I would say it was quite a considerable amount less. The market value of a large piece is less than the aggregate market values of the smaller pieces, because the market value of the land, cut as those parcels are, might be a very different thing from the logical cutting. That may not necessarily be the case in regard to Mr. Hoover, when he bought the Waddell Creek properties, because, in the case of the Waddell it was a unit, topographically speaking, and also with a view to the use of the land it was a unit, but in all probability Mr. Hoover could not sell the entire tract now, or immediately after the last purchase which he made, for the aggregate of the small parcels.

Questioned by Master.

I doubt whether my answer would be the same were I to assume that there was no unusual condition in the financial market such as exists now. I think, in the case of Mr. Hoover's land, that inasmuch as it was bought in on what I considered a wholesale basis, that he could sell it at more than he paid for it. The Hoover land is a very special case, because it was the getting together of strategic pieces on a whole-sale basis.

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CROSS EXAMINATION BY MR. MCCUTCHEN.

Mr. Hoover's property covered one piece strategically after it was all gathered together, and I have assumed that the Spring Valley Water Co. gathered its property together and got it into one piece for a particular purpose. The prices paid for the Hoover property I assume are the market values, and they might have been a little below the market value if there had been any competition for the land. The district was a large district which had not been developed at all.

Mr. Crocker did not go over to La Honda with a notion of getting a particular tract of land. It was Mrs. Crocker who wanted to get something, provided I could show her something that seemed to be suitable for her purposes. She made the purchase of three parcels at once, and then later there was an addition made. She paid the retail market value, though in fact she really paid less than the retail market value. When she got the four parcels together, I would say she had a property worth more than the aggregate of the retail. Mr. Connolly made a number of purchases, and finally had 700 acres. Whether they were worth the aggregate of the prices which he had paid at retail, I have not given any thought.

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All these properties you have mentioned, including Mr. Hoover's holding, are quite a different proposition from the Spring Valley properties, because the purpose of assembling the property into estates was to assemble units so that the entire thing would be a complete estate. I do not think the estate matter had a thing to do with the purchase of the Spring Valley property. If this property had a value for the purpose of gathering or impounding water, I took that element of value into consideration in fixing the value of the property only to this extent; I think it is reflected in the market value of such lands as I was able to use as a check. I have in mind the back portion of the Carolan land, which I used, and the Scarpas piece, and then afterwards I checked back against the Schaeberg sale, when I learned of that, and they all seemed to be perfectly consistent with the appraisal.

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Referring to Hoover purchases: The rule that a number of individual parcels of property combined in one make the property less valuable, applies in this; every piece of property of that kind that I am familiar with and specialized in has two values. One is its whole-sale value, and the other is its probable retail value. When a man has had experience in those two lines, he can tell approximately what

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the wholesale value should be, although he may never have seen the land before. In the case of the Hoover land, it was appraised as a wholesale proposition to be sure of the right base; in other words, there is a sort of relation which exists between the wholesale price of that type of land, and the retail price. If Mr. Hoover was able to buy that land at anything between those figures, we were safe in advising him to do it, and inasmuch as he was many thousands of miles away, we wanted to know what would be the proper price to gather in all those various lands; not only the minimum, but the maximum proper price.

3728 There is no definite rule for determining whether when you buy a number of parcels at the market, and combine them in one ownership, the combined property is worth more or less than the parcels; there certainly is the question of judgment of what the properties consist of when it has been assembled. It does not always result that when you combine a number of properties at the market in one ownership, that you get a property worth less than the aggregate of the prices paid. You can assemble small acreages of 40 to 200 acres or even more, and get an aggregate of 600 or 1,000 acres, and the result may be that you have a better unit, and therefore a more salable and more valuable property than if you added another 1,000 to it.

3729 If we take the La Honda country, and were to buy all the country from the Woodruff Canyon, which is a mile and a half north of Lake Honda, down to Lake Honda, and then buy three miles away the Alpine Canyon to the southwest of the junction with the La Honda, and buy back say one-half a mile on each side of the creek, you would, in all probability have a more valuable property than the land ever cost you, either to cut into several pieces, or to cut up very small; if you added a great deal of land in between those arms, your value would drop very materially. I do not mean your value per acre, but your percentage of profit, or the difference between what you paid for it and what you would probably get for it. It is my judgment that if you bought that, and bought a large area between those arms, you would get less for it than it cost you.

3730 Mr. Connolly bought 752 acres, and sold 52, so that his final estate is 700 acres. I am not perfectly sure whether, when he accomplished his last purchase, the property as a whole was worth less than the sum of the price he paid for it, or whether, as Mr. Connolly thought, it was worth more. It was worth just about what he paid for it, I think. I cannot answer you offhand what I would tell Mr. Connolly if he had asked me to tell him the value of that property the day after he had accomplished the last purchase; it is a difficult thing to assemble a piece of property for a man, and then have him suddenly ask what it is worth, but if he had turned and asked what is this piece worth as a whole, I probably would have said, it is worth a great deal less than what you paid for it, because you do not own

the Bozzo land that lies between the rest of your land and this part. That is not necessarily upon the theory that he was going to hold it in one ownership continuously, because a part of the top of the mountain, the Orton property, for which he paid in the neighborhood of \$15,000, was not worth that price, excepting to the owner of the lower part.

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I have not valued the Spring Valley property for water purposes, and I do not know anything about the value of property that may be available for those purposes. That is, I do not know anything about any special value that might or might not enter into it. I stated that the difference between the value of this property, which I valued with the lakes and without the lakes, was \$100,000, and I arrived at that in this way: You have a certain number of parcels according to our units which overlook the lake, and I found that the average value given for those parcels was \$240.55 per acre. Then I took a number of parcels which were as nearly the same, and which were analogous lands to those which overlooked the lake, but which did not overlook or border the lake, and I found that the average value which I had given to those lands was \$119.10. It was therefore apparent that I had added for the presence of the lakes 201.97 percent. Then I figured the amount of land which was affected by the presence of the lakes; by affected, I mean in the matter primarily of view, and the minimum amount affected by the lakes I figured was 6,333.79 acres. Then I added up the figures at which I had appraised these affected lands, and the average was \$125.77 per acre, a total of \$796,594.20. By the use of the percentage which was arrived at above, 201.97, the 6,333.79 acres would have had a value if the lakes had not been present of \$394,412.14. I figured the amount of land which was submerged, and the total was 2,009.39 acres. The value of that land has been absorbed by the land affected, by the presence of the lakes, as the value which has been added to this land is the difference between the appraised value and the \$394,000, and something, which it would have had if the lakes had not been there. I figure that I have added \$402,182.06 or \$200.15 per acre. Then I tried to arrive, as nearly as I could, at what the value of the submerged lands would have been had the lakes not been there. This was speculative, but I checked my own idea by talking with Professor Hayward's father, and other people, who had been in the country before the lakes were there, so that as nearly as I could I arrived at the general character of the different portions of the land, and using lands which were similar to these submerged portions as a base, I found the value of the land submerged was \$133.32 an acre. If the lakes were not there, we may assume that the 2,009.39 acres would be worth \$267,891.87. Adding to that the increased value which the overlooking and adjoining lands had, namely, \$394,412.14, you find that had the lakes not been there, and on this hypothesis that I have just outlined, your value would have been \$662,304.01, where the actual value of the lands surrounding and

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overlooking the lakes was \$796,594.20, which leaves an excess of \$134,290.19. I arrived at the total of the submerged or submergable lands, 2,009.39 acres, in this way: Crystal Springs, 1,423.64 acres, in the Pilarcitos, 128.30 acres, in the San Andres, 453.35 acres, in the Stone Dam, 4.1 acres.

3734 Assuming that the lake, instead of covering the land, had formed deep canyons in places, and the water depth had been very shallow all over the space, that would not have affected the acreage involved if the water sheet were the same. I cannot answer the question, if you suppose the water sheet had been one-third the size it is now, as to whether my value would still be the same. The lands surrounding the Stone Dam were affected by the considerations I have just discussed. The value of this land, as I recall it, is \$600 an acre, and if the dam had not been there, those lands would have been worth \$225 an acre. The way I arrived at that was by taking the land up Pilarcitos Canyon.

Referring to page 6, Parcel 90, "Defendant's Exhibit 49"; the highest appraisal that I have given that is on Unit 10, consisting of 32 acres lying along the lake shore, none of it submerged, \$750 per acre. If the water was still there, the value obtained would be just the same.

3736 Parcel 10 of Parcel 90, \$750, and Parcel 4 of Parcel 90, \$337.50: Some parts of 4 had a good view of the lake, but the difference between 4 and 10 was not entirely a matter of view, although due in part to that—I cannot give you any percentage. It was also due to the fact that Unit 10 was a strip for the most part, lying between the road and the lake shore, consisting of net high-grade land, whereas Unit 4 runs back across the flume, and to the plateau. The best individual units to use to show to what extent the presence of the lake influences my values upon the properties having a lake view, are the ones around the Stone Dam. I was influenced in putting my value upon something like 6,000 acres by the presence of the lakes. Unit 10 would never have been appraised at \$750 an acre had the lake not been there, but I cannot tell, except approximately, how much it would have been appraised at if the lake had not been there. I cannot tell you exactly how much I had added for the lake view, except approximately. I must have added over \$500 an acre to that individual unit, and if the lake had not been there, Unit 10 would have been worth approximately only \$250 an acre. The aggregate of my valuation of the watershed, leaving out of consideration the Phelps tract, and Parcel 204, is \$1,600,000 in round numbers; if the dam were removed, and all the water turned out, with nothing but the creeks left, we would find that the land as a whole was worth in the neighborhood of \$139,000 less than what I have appraised it at.

3740 Referring to "Exhibit 49", as an example of a piece of property that has a lake view and a piece that has not a lake view; on the west slope of the Sawyer Ridge, photograph 19, the land ranges in price

from \$80 to \$125 an acre in the smaller parcels. The photograph on page 20 shows the west slope of Sawyer Ridge, where the lake influence is absent, and values ranging from \$40 up were placed on that. I made that difference very largely on account of the fact that the one property had a view of the lake, and the other did not. On the east slope of Cahill Ridge there is one strip of 20 acres along the lake at \$200 an acre, and adjoining that on the north there was a piece of 38 acres at \$125 an acre. The \$125 an acre piece is not as good as the \$200 an acre piece. It would be a safe average in all this land affected by the lake to use the figure 201 percent. I cannot tell you offhand how much I added to each of the \$125 and \$200 pieces for the lake view. A portion of the 80 acres at \$85 is on the lake, and it all had a lake view. The 201 percent would apply there only as an average. Taking the averages, it is a fair assumption that if that parcel had not been on the lake, it would have been worth \$42.50 an acre. Directly opposite the last parcel, and north of it, for the most part being cut off from a view of the lake by a curve in the San Mateo Creek Canyon, is 40 acres valued at \$40 an acre. The lower corner of that piece had a lake view which was very poor. The first one of the parcels on the opposite side of that ridge, consisting of 7 acres, had a very poor lake view, and in my judgment was of so low a grade that it was fair in working out this attempted comparison to use that piece, because the land was very similar. I undoubtedly added something to that, but it was very little, on account of lake view. The 33 acres at \$75 has a minor lake view from some points. Unit 5 of my Parcel 1646 has no view of the lake, and that was valued at \$40 an acre on account of that fact.

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Questioned by Master.

I did not find pieces of similar type on two sides of the ridge so as to make my results correct; for instance, my Unit 5 of my Parcel 1646, which lies on the westerly slope of Sawyer Ridge, and through which one of the company's small fire trails runs, has no view of the lake in the sense that I have been using it where it would add value. Referring to Unit 8 of my Parcel 1540, appraised at \$75, and which is on the westerly slope of the ridge with a view of the lake, the type of land is as nearly as possible identical; it is sloping, quite precipitously from near the top of Sawyer Ridge, down to the bed of the canyon, practically to the center of San Mateo Creek, and both of the tracts are brush-covered and covered with oaks. They were practically the same so far as the soil went, as nearly as I can tell.

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CROSS EXAMINATION BY MR. MCCUTCHEEN.

The \$400 an acre piece of 18 acres, in Unit 49, does not have a view of the lake. It lies about a little less than half a mile down the Pilarcitos Canyon from the Pilarcitos Dam. It is a very pretty piece of land, more or less flat. A little brook flows down into the tract; it is beautifully wooded with maples and alders and other trees that

grow in that district. There is a lot of land on the westerly slope of Bari Buri Ridge that has an unobstructed view of the lake, and is available for building purposes, upon which I have not put a valuation of \$400 an acre.

3745 Unit 43, of 15 acres, lies practically at the Pilarcitos Dam, and has a lake view. 33 adjoins 43, and has a lake view. 68, at \$225, is the piece lying just north of the Stone Dam, which has no lake view. The land which had the lake view, and which was of the same type, I gave \$600 an acre to. I unquestionably added to the value of Parcel 73 because of the lake view, but I will not commit myself on any individual parcel as to exactly what I added. I figured out what seemed to be a fair average, but I had no more idea how that was going to come out when I started to figure it, than I had of the whole appraisal.

If we were to suppose that we had a piece of land adjoining, or a little to the north of Parcel 73, the sale value of which we knew, I do you not think that you would be deprived of the basis of comparison because I could not tell you how much I added to 73 for the lake view.

3746 I did not say that one-half the value which I placed upon the properties immediately around the Crystal Springs concrete dam was due to the fact that those properties had a lake view. I said that the percentage which I worked out came about to 201, but as to any individual piece, it might be more or it might be less. I do not think I could tell you how much I have added to an individual piece because of the fact that it has a lake view. I find that in getting myself on to the land, that when I get into my mind what that land is worth, and try to find out how much of it is due to lake view, I lose the whole thing: in other words, my mind then becomes concentrated on the process, and not on the land, and I lose track of the elements that enter into the making of value in the land. I do not mean to say that by going upon that land and taking a view of the lake that I am, under those circumstances, immediately able to say how much should be added to the otherwise value of the land because of that view. I could
3747 tell you what the market value is when I am on the land, but as to analyzing the value, and saying that such and such a percentage of it was due to trees, or due to lake view, and so on, I find it quite impossible. To illustrate, in your experience you can undoubtedly size up a man's disposition by looking at him, the same as you would size up his age. If you tried to analyze what enters into that, I do not think you would be able to do it, and yet you would come very close to getting the right result.

My valuation of these properties is not comparable to the guess that I would make as to the age of a man, but is perhaps more comparable to a judge's decision in the matter of pure bred stock, where he does not take a rule and a tape line, but he places the best type

as he understands type, at the head, and yet if you were to take a rule and a tape line, you could probably check him up even better than you could check up a man's decision as to what land is worth. He does not necessarily check it up in his mind as he goes along, but he gets the result, and in the same way that he gets the result, the result can be obtained by a sub-conscious process of reasoning, but nevertheless real and logical. A man who sizes up the cattle at the animal show has allowed, when he gets through, so much for weight, ears, horns, tail, legs, and so on, and also for what he would call expression, but he cannot define what he means by expression; it is his experience. The business of valuing real estate is comparable to that.

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The lands that are near Crystal Springs Dam, and that overlook the lake, have a certain value, which I arrived at by going on the lands and grading them. My basis for grading is wholly a composite of my experience in lands which would be sold or purchased for similar purposes. It is impossible to take all the pieces that make that foundation, and tell where they came from. I have explained as fully as I can how my valuations were arrived at, and I think, in view of this explanation, that there is no question but what they must be taken. If I had been wrong in my valuations, it would have shown up in the checking. Generally speaking, I have valued lands that had a lake view at a certain figure which I had put upon the land when I went upon it, and then when I went on some other land, I said that that land was worth so much an acre. In arriving at values the whole question is at arriving at what price, and approximately how soon at that price will the market absorb that land, and I determined at what price the market would absorb a piece of this land solely on my experience, and I checked it either against known selling prices, or where I did not know the selling price, as in the case of the Carolan property, I graded the land with the same theories that I graded the Spring Valley lands, and when I found out approximately at what price the Carolans sold, it served as a check then, although at the time when I made the gradations, I knew nothing of the selling price.

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I do not know of any piece that was identically comparable to 73, but there certainly is a basis in a composite experience of a man operating in a type of land such as I have operated in, and the basis is a composite of Woodside, if you like. In a measure the composite of Woodside is comparable to the land lying on the westerly slope of Buri Buri Ridge. I would not take sales at Woodside as an absolute guide, as there is nothing you can take as a rule as an absolute guide; it is a man's experience. I might have used Woodside as a guide in fixing my values on the lands on the westerly slope of Buri Buri Ridge only as I have explained, that is, I had operated in Woodside quite extensively, and naturally it would be in my mind

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to a certain extent, but it would have to be modified by the conditions which would influence me in the consideration of the special location of 73, or of any other parcel. There is such a difference between the lake at Woodside and the lake at Crystal Springs, that you could use them in a sense of comparison only to a certain extent, as there are great differences. The greatest amount in acreage in Woodside that I sold, was without any reference to a lake view, although the lake view entered into several distinct sales.

3752 If you adopted a rule that I added 50% to what would otherwise be the value of the lands that had a lake view, the little piece of land around Pilarcitos upon which I put a value of \$400 an acre, would not have a higher value than any other piece of land in the tract. I have valued land with a lake view at \$600 an acre, and lake view means 204 or 205 percent of the value of the land without a lake view. I think I made a mistake there. Probably I should have said that that is the case, because that would have made it a little over \$800, and there is nothing that I can recall like that; I think \$750 is the highest value of any individual unit. I do not say that if these properties had no lake view that this little piece of land over at Pilarcitos would be the most valuable unit in the entire 22,000 acres, because I cannot tell. There might have been some little part, we will say, down where the old Crystal Springs Hotel used to be, that I can conceive of having a very great value if the lake had not been there.

3753 I cannot tell you what the value of the land is covered by water. This morning I showed how I arrived at an approximation as to how much would have to be absorbed to be sure that we absorbed the value of the submerged, and submergible land, in the values given the land adjoining or overlooking the lakes. I am unable to state the value of the submerged land.

Questioned by Master.

By absorption, I mean that I am satisfied that whatever land is submerged or submergible has been accounted for in the values given to the overlooking lands because of the presence of the water sheet.

CROSS EXAMINATION BY MR. MCCUTCHEN.

3754 I mean by that, that is the market value of the submerged land. Taking the tract as a whole, the market value with the lakes there as they are, is the price that I have given it, and then you would have to add a certain amount for the cost of the structures that make the lake. The market value would be no greater if the lakes were not there, and I think would be less. I would not add anything for cost of structure. In the ultimate, it would make a difference whether the Crystal Springs Dam had cost \$100,000 or \$1,000,000 but not in my figures. It would add nothing to the value of the land

but it would certainly add to the cost of a purchase, because a man would have to pay the cost of those structures. It would be necessary to add the cost of those structures to the market value of the land, but I do not know how you would arrive at the value of those structures, and do not care to go into that end of it.

The purchaser would have to add the cost of those structures, because the lakes are artificial, and if they were not there, you would have had to build those structures, and it is logical to suppose that some sort of structures would have figured as a part of the cost of his developed tract. The value of the land as of December 31, 1913, did not include the structural properties, but is just exactly what I have given it. I could not take into account at all the cost of the structures which retain the water. All I could do was to give the value of the land as it stood there with the water there. Using the same tables that I used this morning, the submerged or submergible land, totaling 2,009.39 acres, figures \$267,891.87, or \$133.32 per acre, and it is my opinion that if that land were not covered with water, it would be worth approximately \$132 an acre as nearly as you can tell. It is purely speculative to know what is under the lake. I never saw the land before it was submerged, and the way I arrived at that was by taking the average value of land to which presumably the submerged lands are similar.

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Questioned by Master.

I talked with several people as to the character of the submerged lands, but the conclusions were quite varying. One man said it was all a waste, while another described it in quite an attractive way. I could not gain very much from what they said.

CROSS EXAMINATION BY MR. MCCUTCHEN.

I did not discard my information as to the submerged land, but used it to check where it seemed to check. It seemed to check pretty well at all the ends of the lake, and fairly well right opposite the dam, as near as a man could tell from the contour and the dip of the land above the water. I assumed that all of that land that is submerged is very varying as to character; that the west arm of the Crystal Springs was inclined to be gulchy, until it got down toward Sherwood Point, where it flattened out somewhat. I did not try to grade the submerged land. I assumed that the most northerly end of the Crystal Springs east arm was a continuation of the flat which is submergible, and opposite Sawyer Camp gradually dipping down into more of a gulch or canyon as it approached the Sherwood Point. I did not put a separate value on the submerged or submergible land. I did not grade the land at all, as I could not grade land that was submerged. I was guided to this figure of \$132 an acre by taking the average price of the type of land that I supposed was below certain portions of it, where I had a fairly good reason for

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thinking that the submerged area was of a given type. The \$132 an acre land, I would say, could be used for residential purposes, because that was the basis on which most of this land had to be appraised. This \$132 land may have some special purpose, such as it is being used for, but aside from that, I think its highest value would be obtained by using it as residential land. I know very little of its value for the purpose for which it is used, but I can see no reason why it should have a greater value than its market value, which is the value that it would sell for for any other purpose. I have no qualifications as an expert in buying land for reservoir purposes, and that is a general opinion. I have given that idea quite a little consideration. I have the opinion that because this land would only be worth \$132 an acre for residential purposes, that it is therefore worth no more for reservoir purposes. There is a direct relation between the value of this property for reservoir purposes and its value for residential purposes. I have had no experience in buying reservoir sites.

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There are two ways of reaching the Schaeberg property. One is over the Spring Valley lands, which necessitates crossing the Johnson Ranch; the principal, and probably the only logical way, is from North Granada down by the Half Moon Bay Station. If you went by train, you would go down on the Ocean Shore, and get off at Granada and go up the road. That property was cleared at the time I drove around it, but I do not know whether it was cleared at the time of the sale that I have spoken of. When the Grainger sale was made, a portion of the Grainger land had been cleared, and I believe Mr. Scarpas, the former owner, told me before the sale that it had not been plowed, therefore it is possible that parts of it reverted to brush, but not very much brush. Scarpas told me there were 70 acres of cleared land. When I appraised the land, which was after the sale, there were fields, and the land had been plowed.

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RE-DIRECT EXAMINATION BY MR. SEARLS.

In considering the lakes, I assumed that the owners of the property would have all the uses of the lakes, such as rowing and other purposes of that sort. There has been practically no other firm or individual that has specialized in country estates of the type that we have in San Mateo and Santa Clara Counties. The subdivisions, such as El Cerito, San Mateo Park, Highlands Park, Easton Additions, and the Easton Subdivisions, are no criterion as to the value of the type of country estates to which the Spring Valley lands are adapted.

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The Kohl property is in the Easton District, just north of Hillsboro, and about a quarter of a mile west of the state highway. The Elkins piece is further back in the foothills. These two tracts are both less than 30 acres, I think. If you sold the Spring Valley lands

off in 30 acre tracts, I doubt very much if you could sell them in our life-time. That is not the type of subdivision that the Spring Valley land is capable of. I have no absolute knowledge that the Kohl piece was sold as a part of a subdivision; it lies between the lot subdivision of Easton, and the Burlingame Hills Subdivision. The Kohl land is worth more money than any parts of the Spring Valley land, because in the first place, it borders on a lot subdivision, also it has all the benefits of practically adjoining the state highway and the railroad. It also has the benefits of the promotion of all the Easton Subdivisions. In a straight line, it must be within three-quarters to seven-eighths of a mile from the nearest Spring Valley land. It adjoins some of the Easton Subdivision of town lots.

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If you had a piece of land immediately adjacent to a tract which was built up of a good class of owners, and a street railway running through it, I do not think you could get a better price for the portion you were trying to sell, no part of which had been placed on the market, as you could get for the portions that were already on the market and under subdivision, unless there were special reasons. The parcel that you would have put on the market would bring a much better price than perhaps adjoining lands would bring in a separate ownership. If you were selling the built up subdivision as a whole, you would get a larger price if you subdivided it. The further away you get from the development, as a rule, the lower the price. A new tract in foreign ownership might be a complete failure right in the heart of a successful subdivision, whereas a new tract in the same ownership would be much more readily marketable than in foreign ownership. If I had a tract adjoining a tract which I successfully promoted, and I wished to sell the undeveloped tract, I could take a purchaser through the successful subdivision, and what I said about the one he had under consideration would naturally have more weight, as he could see what had been done. Also the new tract would have, as the Kohl piece unquestionably had, the benefit of the cumulated promotion of the district I had handled. A specific example on the peninsula of the effect of foreign ownership, located near successful subdivision, is Burlingame Grove, which adjoins Easton, and which is not a successful subdivision. The Burlingame Grove tract lies from the Easton Station northerly between the state highway and the railroad. San Carlos Park was, and is a failure, but it is not adjoining a successful subdivision.

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I appraised the Scarpas piece at the same time that I appraised the adjoining Spring Valley land, and I knew at that time that it had been sold, but did not know the price. Mr. Grainger told Mr. Cranston the price, and I learned from him what he had heard from Grainger, and I think later both of us were talking to Grainger, and he repeated the price, and I understood him to say one thing, and Mr. Cranston understood him to say another. I learned the price

after I had appraised the greater portion of the land, and before I had appraised the southeastern portion. When I appraised the Scarpas piece, my basis of appraisal was exactly the same as though it had been a portion of the Spring Valley land. I appraised 50 acres along the ridge at \$25, \$1,250; 35 acres on the timbered slopes to the northeast at \$22, \$770, and I made a note on the ground that if that timber was tied to the Spring Valley, I would give it \$40 an acre. The third parcel, of 155 acres, I valued at \$1,550, or \$10 per acre, making a total of \$3,570, or an average of \$14.87 an acre. I am absolutely sure that at the time I made my appraisal I did not know the price at which the Scarpas land had been sold. The 35 acre piece was appraised after my partner and I together had talked to Grainger, and before any of the figures had been assembled into totals, and to that extent I knew the price before finishing the appraisal. I learned of the price at which the Scarpas piece was sold the day it was appraised, which was April 25, 1914, and the price I understood was \$2,700, and the price that Mr. Cranston, my partner, understood, was \$2,750, making an average at the figure of \$2,750 of \$11.25 an acre. In that case my appraisal was higher than the actual selling price of the Scarpas piece.

Referring to the Spring Valley land immediately contiguous to the Scarpas piece: In that portion of Parcel 124 which lies approximately from the center of the gulch heading in the Scarpas tract, known as my unit 2, of my parcel 827, I have given \$45 an acre. The adjoining piece on the southeast, which is very similar to the timbered portion of the Scarpas piece, I have given \$35 an acre. Those are approximately the only parcels that are similar. I appraised the timbered slopes of the Scarpas piece, which are somewhat similar, at \$22, but I made the note that if it had been tied to the Spring Valley, I would have given it \$40, so that they checked all right. In that instance it would appear that the Spring Valley land I was apparently appraising on a higher basis than the Scarpas land.

I think I appraised the Carolan piece during the month of April 1914, which was at the same time that I appraised the Spring Valley land, and I think I knew that the Carolan piece had been sold, but I did not know anything about the price. My purpose in appraising these adjoining lands was to get the closest possible check on the work I was doing. If I had known the price, I do not think it would have been a check, as it is always apt to influence me if I know the price.

Questioned by Master.

It would not be a check at the end, unless you did know the price, but I assumed that I would be able to find out the details sooner or later.

RE-DIRECT EXAMINATION BY MR. SEARLS.

This map which I have here shows the grades and appraisals that I put on the Carolan tract, and the figures on this map were not made at the time I was on the ground, but were copied from my original notes.

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This map was offered and marked "Defendant's Exhibit 82".

Referring to "Defendant's Exhibit 82": I put \$187.50 an acre on all that portion of the Carolan piece adjoining Parcel 90, excepting a small piece of about 12 acres practically in the center of the tract, upon which I placed \$150. As I went eastward the valuations increased very materially on the Carolan property, and I do not think that they should be used as a fair check on the adjoining Spring Valley land, as it gets into a different character of property. I allowed a rough estimate of \$20,000 for improvements on the Carolan piece, and by deducting that, the average price figured \$353 an acre. The maximum selling price, I heard, was \$310 an acre. Referring to "Exhibit 49", page 6; it shows the segregation of Parcel 90, and unit 16 of that segregation is the nearest piece of land comparable to the Carolan piece, because it adjoins the back part of the Carolan piece, and does not run down to the lake, and is affected only very slightly, if at all, by the presence of the lake. That unit I appraised at \$186.81 an acre. Unit 11 is perhaps a little misleading, because it runs down to the lake, but I appraised that at \$206.44 an acre.

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The Carolan piece would be an indication of the maximum price that you would expect any portion of the Spring Valley lands on the east side of the lakes to have, and particularly I would compare the back part of the Carolan to the back part of the contiguous land.

Referring to property sold by Hobart to Clarke; Clarke at that time owned land contiguous to this property, which fronted on the state highway, and lies between the back portion which has been designated the Hobart Tract, and the state highway. The new Clarke purchase is about three-quarters of a mile across the Poor Farm Canyon from the east line of the Spring Valley land. The Poor Farm Canyon is quite steep, especially at its junction with the San Mateo Creek Canyon, which is the point where it divides the Spring Valley lands I have appraised and the Hobart land. The Hobart property slopes from the high point at the extreme westerly line towards the Clarke property and the state highway and the railroad.

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The average of all sales for lands at Woodside, La Honda, Menlo, and Los Altos, over 20 acres, taking all of my districts, was \$84.95 per acre. At Woodside the average is \$129 per acre. All of these figures include re-sales. At what we call the Woodside Ridge District it is \$39.26 per acre; Menlo Park \$266.22 per acre; Los Altos \$147 per acre; La Honda \$57 per acre. The Coast country \$23.96 per acre; the Brookdale parcel \$6.82 per acre.

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I also made a calculation excluding the re-sales of that property on which the owner, who had purchased within a year or two, would expect to derive some profit. Segregated into districts as follows, that is; Woodside \$121.50 per acre; the Woodside Ridge \$38.20 per acre; Menlo \$330 per acre; Los Altos \$168 per acre; La Honda \$48.20 per acre; the Coast, Brookdale, and others, were the same. The average of all sales excluding sales under 20 acres, and excluding re-sales, was \$80.59 per acre. I sold altogether at Woodside 3,956.56 acres, of which 130.84 were less than 20 acres, leaving a net acreage over 20 acres of 3,824.72 acres. Those lands were sold in separate parcels, and they included the floor of the Woodside Valley, with perhaps two exceptions, from the Portola Store to the lower end of the Portola or Woodside Valley, and from the ridge on the west to the east side of the valley.

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A great deal of it, if not all of it, was rough land; the Morsehead land is rough land, but it is the highest grade of rough land, so that it has a much greater value than a portion of the Hooker & Lent purchase, which is also very rough land, but which is largely a knoll of low chaparral. If we assume that the Spring Valley lands on the east slope of the Sierra Morena Ridge are rough lands, I would classify the portion of the Woodside lands which lie on the ridge as rough lands, with certain exceptions, but of a very much higher grade, in that the slope of the mountain is broken into knolls, gulches and slopes, and it is a much more attractive district the further down the valley you get.

Referring to re-sales at Woodside; Fitzhugh bought from Greenwood, and Greenwood from Sawyer, Sawyer acquired from Connolly, and Connolly acquired from Hatfield; the price on this piece varied from \$11,000 in 1911, to \$20,000 at the date of the Fitzhugh purchase. When these re-sales were made, Woodside had been on the market and opened for many years. The lower end of Woodside Valley was just being developed, and that was the end in which I operated in large tracts. Most of these re-sales occurred in the southern end of the valley, and were the result of the settlement which took place, and the efforts which we used in promoting the district.

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If the Spring Valley lands were sold tomorrow, the purchaser would regard them in the same light that the first purchasers in the lower Woodside Valley regarded those purchases, only very greatly intensified, because of the much greater size of the tract, and therefore the greater number of difficulties to be overcome in cutting it up and selling it. I think the question of neighborhood would be the greater influence affecting a prospective purchaser of Spring Valley lands for purchases of country estates; the environment might be good, but the neighborhood might not. The neighborhood might be good in the beginning, but that which might develop, might de-

velop along poor or unattractive lines. There is really no neighborhood, from the standpoint of country estates in the Spring Valley Water Co.'s watershed lands.

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In opening up the Spring Valley lands to the market, the Buri Buri Ridge would play an important part. I think that the Buri Buri Ridge and the Pulgas Ridge would both play a negative part. That is, they would both influence the prices and the type of development detrimentally; both ridges are clean breaks between the west and the east side; also it is a break between the slopes of the highway and other transportation, and it is a break between the high-grade districts and the west side. It also has considerable to do with the climatic differences. The low foothills which separate Woodside Valley from the main valley around Palo Alto and Redwood City, has the same thing true of it as to the separation of those two districts, but there is practically nothing contiguous to Woodside, so that the effect is negative, because of the large area of Stanford University lands that cut in there. There was no such break in the development at Woodside. The northern part was highly developed when the lower end began to be put on the market, and there was nothing to break the continuous growth, excepting, perhaps, the Spring Valley land around Searsville Lake, but there was so much other land to the west and about that, that it had no effect whatever on the growth.

The average value of the lands west of San Andres and Crystal Springs, was, excluding the West Union \$56.25, and including the West Union, \$56.19. There was not the same amount of tare in the land that I sold as a whole in the La Honda country as you find in the west side lands of the Spring Valley country.

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The San Carlos section is a very windy section, and it has been subdivided and placed on the market, but with no success at all.

Questioned by Master.

I do not know just how much the wind had to do with its lack of success, but it might have had something to do with it.

RE-DIRECT EXAMINATION BY MR. SEARLS.

I would have known what the climate was on the Spring Valley land without these wind-bent trees from my experience in the district. The trees were merely incidental to my mind as evidence of the climate. The fact that there was wind there was merely incidental; in my opinion there has been too much weight given to the question of bent trees and wind, because there are districts like San Francisco which are well built up, but the wind and trees exist, and they both of them had some effect upon the value of the land for residential purposes. The force of the wind is greater on the Spring Valley property than to the east of the Buri Buri Ridge compared with the force of the wind at Woodside, Palo Alto and Los Altos it is

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3777 very much greater. I would not say that the windy condition was a very great influence in my valuation of the Spring Valley property. It might be that in a few isolated instances it would have been a material element, but I cannot think of them at this time.

If Mr. McCutchen should prove on rebuttal that the photographs which he has shown me with wind-blown trees were taken in high-grade districts, where good prices had been obtained for land, it would not in any way influence my appraisal, because when I looked at these pictures, some of them might be wind-blown, and some of them might not, and assuming that they are all wind-blown, as is the case right back of Hillsboro, there is no question but what the value of the land is there even though the wind does blow. The appearance of these wind-blown trees is an indication both as to the force of the wind, and as to the continuity of its blowing. If a tree is blown at a sharp angle, so that the twigs upon which you would expect to find foliage stand up on the wind side sharp, rugged, bare and gnarled, whereas the growth on the under side is more luxuriant, it is a safe conclusion that there is a very strong wind as a general thing in that district; a tree might be considerably bent by the wind, and be the result of a steady, easy, gentle wind. If I had found the Spring Valley lands on the west slope of Buri Buri Ridge well wooded, with a slope toward the state highway, and with a sediment such as I found east and to the south, I would have given them a higher valuation notwithstanding the fact that I found a very strong wind there.

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The back portion of the Carolan piece is quite similar to the back portion of Parcel 90, whereas the front portion is very much finer. It is better wooded, lays better, closer to the highway; it cuts right down into a very high-grade neighborhood, and adjoins fine properties which are highly developed. The lands west of Crystal Springs Lake on the Sawyer and Cahill Ridge are very much rougher and more precipitous and isolated than the Carolan land. The lands west of the Spring Valley lakes partake more of the character of mountain lands, and the Carolan piece is foothill lands. If you were to subdivide the lands west of the lakes into country estates, you would have to find some way of absorbing this rough land by attaching a certain amount of rough land to what would then constitute the heart of the estate, some portion of which would be high-grade. That is the usual way in which country estates are handled, and on an average you get more if you sell the type separately. The average price of the entire estate would be less than what would be the price of the good land alone, but the average price would be more than you could possibly get for the tare alone. By the term, average price, I mean average price of the resulting estate by attaching tare and good land. If you sold the good land separately, and the tare separately, the total price would be less generally than you would

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obtain by selling them together. The Spring Valley land is not adapted so as to make possible an easy absorption of the poor land with the good land. In my judgment that is one of the greatest weaknesses of the Spring Valley lands for estate purposes, because you have certain very high-grade lands, but it is not so placed that you can attach what would be the proper proportion of tare to it. You have certain high grades along the east shore of the Crystal Springs Lake, but you have no tare that you can attach to that at all, in logical subdivision. Therefore, it is necessary to tie the tare, which you would ordinarily tie to that high-grade land, to some other piece of high-grade land if you can find it; it is the lack of distribution of high-grade land amongst the tare that is such a serious drawback to the Spring Valley lands from the standpoint of the estate subdivision. That condition does not exist nearly so much in the Woodside District, and it is particularly lacking in the La Honda District. I would say that very nearly one-third of the entire 22,000 acres would be difficult to absorb. If you did not use these rough lands in connection with the good lands, you could not use them as a part of a good subdivision, in my opinion. These northwestern lands, which are the bulk of the parcels of poor value, could probably be sold for pasture purposes; there are some portions that could be sold for farming at the present time, such as hay. I valued them almost entirely for estate purposes. Assuming that they should be used for pasture purposes, that would tend to depress the value of adjoining land. The ordinary country estate is not an estate upon which a highly developed state of improvements is placed. I suppose an average class of improvements as usually placed upon them would be \$18,000, and are more or less in the shape of country homes. I am not including barns or outbuildings.

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The type of improvements on the Kohl property are not typical of the types placed on country estates in the district tributary to San Francisco. If I were to attempt to sell 22,000 acres of land to persons who could afford to make the type of improvement that Mr. Kohl has made on his estate, it would take the rest of my life I am afraid. I do not think the market would absorb it in this vicinity. There is no possibility in our life time of developing the Spring Valley watershed lands along the lines of the lands on the east side of the Buri Buri Ridge. I would expect to subdivide these lands into estates of 100 to 1,000 acres.

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The special purpose for which the Rengstorff land was purchased was for water by gravity. Mr. Law had a very highly developed garden, in which he was raising some sort of herb; he told me that his investment was \$80,000, and his superintendent told me that they absolutely had to get water which would flow during the two or three driest seasons of the year other than the water in the creek, because he was threatened by injunction proceedings.

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If a syndicate were offered lands to the west of the Spring Valley lake, separately from those to the east of the lake, the fact that they would not acquire the lands between them and the San Mateo District would have a depressing effect upon the price. The lands east of the lakes are made less salable because of the lands west of the lakes, in that they are within a part of a very much larger tract, and consequently the market is much more restricted. Also they are entirely separated, and you cannot tie this burden of tare, or any portion of it, to the land east of the lake. If you separated the lands east of the lakes from those west thereof, you would probably get a higher price for the lands east, but the effect upon the total price that you obtained for the entire 22,000 acres as a result of such separation, would be that you would get less. The prospect of selling these lands to a single man would be a remote possibility. A syndicate could have been formed, and I could have sold it to a syndicate at that price if I had presented the proposition to them and taken them over the lands. To explain my statement of the other day, when I spoke of not advising the purchase of the lands at the price which I placed upon them, I make a distinction between the man who is acting as a selling agent, and one who is acting as a confidential adviser of the buyer.

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Questioned by Master.

I am very sure that in 1913 I could have organized a syndicate, and in perfect good faith submitted the property to them at this figure of \$1,600,000 odd, and told them about it in such a way that they would have seen the value. Now, the distinction between that situation, and a man who would come to me and say, or the syndicate and say, we are looking for an investment, and we want to get in and out as quickly as possible, and other things, would throw the entire burden on me; then I would feel a difference.

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FIFTY-FIFTH HEARING. NOVEMBER 3, 1915.

Witness: NORWOOD B. SMITH, for Defendant.

3786

RE-DIRECT EXAMINATION BY MR. SEARLS.

(Certain corrections noted on the face of the record.)

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Referring to a photograph of the Hobart place, the witness identified the back line of the Hobart place with reference to the Spring Valley land, as follows: In the third panel on the right, the row of trees along the crest of the hill, above the Poor Farm Valley is the back line of the Hobart property. The fence which crosses the first panel is the back line of Parcels 37, 54 and 36. That photograph was taken from the Bald Hill in the west central portion of the Polhemus tract, facing northwesterly. This photograph shows nothing

of the Hobart piece, except the line of trees on its west boundary. It is the line of trees in the third panel which follows the fence. The line of trees on the further ridge is the north line of the Hobart property.

Offered and admitted as "Defendant's Exhibit 83".

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Questioned by Mr. McCutchen.

The following quotation on page 3774 of the transcript was referred to: "Q. Is there any neighborhood at all now, speaking now "from the standpoint of country estates, in the Spring Valley water-shed lands? A. There is really no neighborhood, no. Q. In opening up the Spring Valley lands to the market, would the Buri Buri Ridge play any part? A. In my judgment it would play an important part. Q. In what way? A. I think that the Buri Buri Ridge "and the Pulgas Ridge would both play a negative part. I think it "would influence the prices and the type of development detrimentally." The witness explained that he wished to convey by his language there that it was a negative part in reference to price.

RE-DIRECT EXAMINATION BY MR. SEARLS.

In appraising these Spring Valley lands, I considered the retail price of each unit in a district; not necessarily of the whole district. I considered the retail price when I was on the separate units that I appraised. My estimated retail price was simply one of the elements that entered into my appraisal, just as location, or the amount of good and bad land, would enter in. After I had graded a parcel of land into these various tracts, and considered the location, climate, neighborhood, etc., I also considered what I thought the retail price of a unit would be rather than a number of the units. By units I mean units into which I divided the land. I did not consider that a man would sell one of those small gradations off at retail, but I did consider what I thought it would bring at retail in relation to the units either adjoining it or around it in what would appear to comprise a logical selling parcel. It would be a correct assumption for you to assume that it would be practically impossible to give a retail price of the whole tract in the manner in which it would be actually sold, without making an entirely separate appraisal and subdivision of the entire 22,000 acres.

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I have segregated the Spring Valley parcels into classes, showing the different percentages which in my opinion should be applied. This is in reference to my statement that the retail selling price of the Spring Valley parcels would be from 25 to 50 percent in excess of the prices which I placed upon them from a wholesale standpoint. The table which you now hand me is a copy of the groupings into districts of the various Spring Valley parcels, showing the percentages, which in my opinion, would be added for lands lying within those districts. The percentages shown in the table represent the average for the different classes.

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Offered and admitted in evidence as "Defendant's Exhibit 84".

3791 Referring to the Silva Tract: It is an illogical shape for a sub-division. It certainly could not be divided into town lots successfully in 1913. The best market for this tract would be the adjoining owners, and that would be limited to the owners on each side of it.

3792 Referring to the Husing property: The transaction was closed in 1909, from Marie E. O'Connor to E. A. Husing.

There is about 50 acres more of flat land in the Husing piece than in Parcel 49, which adjoins it on the northerly side. When Husing sold the land, very nearly all of the flat was cleared. It is very difficult to know what the Husing land is; the most difficult portion is up at the top, where there is considerable cleared land, and you can get no conception of it without going down off the Ridge Road and over the hill. I have several photographs of that piece.

3793 The two-panel photograph was taken from the lower end of a small, very flat knoll, near the easterly line of the Husing property, looking at the fields and the rough hill lying along the east side of the Sierra Morena Ridge. The hill in the second panel is not the Husing, for the most part, and all of the first panel, with the exception of the extreme left, is Husing land. Most of the gulch is in the Husing piece, and it is there that it has quite a grove of redwoods.

Marked "Defendant's Exhibit 84-a".

That picture was taken from near the southerly line of the Husing property, showing a continuation of the same fields over which we looked in the last picture. It is not nearly as close to the crest of the ridge as the photograph would indicate, but from there to the crest is practically all cleared. The hill in the upper left-hand corner is the adjoining Spring Valley parcel, and the gulch is in the center of this picture. The camera was pointed northwesterly, and very close to the southeast corner of the tract.

3794 Marked "Defendant's Exhibit 85".

The next photograph was taken still further toward the south line, and near the end of the large field comprising the flat land. It is directed a little further north, but still well toward the hill. It shows the character of the growth on the southeasterly part of the Husing place, on the flat.

Marked "Defendant's Exhibit 86".

Referring to a small photograph; that is the entrance at present to the Husing place off the Canada Road, and the sign is one of the Spring Valley "No Trespass" signs, which is on the fence along the road through the Husing property. Referring to another photograph, the witness stated that it shows the same post and the same Spring Valley "No Trespass" sign.

3796 The Morsehead property is located in the south end of Woodside Valley, on the west side. The property runs from one gulch to another, and the steepest part of the land is tipping into those gulches

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

at the north and south lines. The gulchy portion does not occupy any great acreage of the property, but some of the back land is steep. The Morsehead property is not the same type of land as the Claffey tract, as in its rough part it is very much more picturesque, and it has a large flat at the bottom in the canyon which is all bottom land. Its general contour is better, which affects the desirability of the tract for residence purposes tremendously. The Morsehead property is very much more desirable for residence purposes than the Claffey property.

A prospective purchaser of a large tract wants to know the different types of land that are presented to him, and wants to know in rather close detail the number and the extent of the beautiful spots within that tract. A man will very frequently buy an estate simply because some particular portion of it appeals to him.

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When I made my appraisal, I first familiarized myself generally with the lands by going over as much of the land as I could in the machine, and my recollection is that there were some places that I found it impossible to go because at the time I did not have a key from the company, and I had to walk. My object was to get a general idea of the whole tract, so that I would have it in my mind in going over the separate parts.

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Questioned by Master.

When I started to grade the lands, I began on Parcel 105, which is the piece that contains 30.38 acres. Then I went up the Canada, doing both sides, and I think on the first day I only got to the West Union. The next day I went up on to the Sierra Morena Ridge, to the back parts of those parcels, and down through the parcels. I finished my valuation in what I call the Canada District, about opposite the cottage on the west side of the lake. Generally speaking, I went through the Canada Valley and along the Sierra Morena Ridge, and then along the east of the lower Crystal Springs, along the west side of the lower Crystal Springs, and along the Cahill Ridge. I think after that came the San Andres district, and west of it, and as a general proposition, it ended up in the Pilarcitos.

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RE-DIRECT EXAMINATION BY MR. SEARLS.

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If I saw any little unit of poor land on the top of the Montara Mountains, that would not have any effect on the unit around the Stone Dam. It was a general idea that I had. When I valued a particular tract of land, I based my valuation solely upon my experience of the salability of the land for the purpose for which it was best adapted. I did not take a particular piece and compare it with the piece I was valuing; it had to be the composite of my experience, and could be nothing else. I did take into consideration all the elements to which I have testified as affecting my valuation of that particular tract. If I found on further examination that I had not given a particular element sufficient consideration, or that it appeared

different from another point of view, I varied it to the extent that my notes show.

3801 After I had valued my lands as a whole, I added up all the sales that I had made of similar lands, or lands which could be used for estate purposes, and I found that it was a very good check. Referring to my La Honda sales, the average of which was about \$57, the average value placed by me on the lands west of the lakes, including the West Union, was \$56.19. That constituted a fairly good check, and showed me that in giving very nearly the same figure, I had not undervalued those lands.

3802 The average value of all the sales over 20 acres, and including even re-sales, was \$84.95; that necessarily includes certain improvements, even the Callaghan house which went to Mr. Sharon. My average value per acre of the Spring Valley watershed lands, including the Phelps Tract was \$72.93. It is my opinion that the land I had sold, acre for acre, as a whole was better than the Spring Valley lands from the standpoint of country estates.

The average value on Parcel 5-2 was \$58.45, and that is a very close check with the average sale per acre of the La Honda country, which was \$57.60.

3803 If a syndicate should acquire the Spring Valley lands for estate purposes, I would not expect them to subdivide it into the parcels in which the Spring Valley bought them, because they are not logical subdivisions for estate purposes, and a syndicate would be very foolish to do that. I would not consider that the subdivisions in which the Spring Valley acquired its lands could be used as any accurate basis for determining the retail selling price of all the lands, because very often a tract may have a most illogical shape, considering the use to which it is best adapted, and because of that very reason, would cost a purchaser who would be an adjoining owner very much more than would otherwise be the case, and it would have no bearing on what the land was worth as a matter of market value, if the land were attached to the adjoining land. You might take Parcel 6 on Map 3 as an example; there is no question in my mind but what it would be worth more in conjunction with the land running down to the Pilarcitos Creek than it would be as a separate parcel. The southeasterly portion of Parcel 89 has a much greater value in conjunction with the Sherwood Point on Parcel 92, and the owner of 89 would certainly pay a great deal more for the Sherwood Point portion of 92, because of its strategic location with respect to Parcel 89. That portion of 92 would be of value taken by itself, but not of as much value as it would be to the owner of 89. The owner of 89 might well pay a price greater than the intrinsic value of the parcel, because it lies between 89 and the lake on the high-grade portion of the point.

Referring to my statement that in some cases the large unit after it was assembled might be worth as much, or possibly a little

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

more than the sum total of the values of the assembled units making up the larger unit, I would say, generally speaking, that the larger the tract gets the less relevancy you would find—referring to Spring Valley properties taken as a whole. The fact that the value of any one of my estates that I have assembled from individual parcels was as great or greater than the sum of those parcels would have a bearing upon the value of these Spring Valley lands taken as a whole only in the most general way. It would not follow from that that the value of the Spring Valley lands as a whole must be the sum of the value of their units on a retail basis. There is no direct deduction that can be drawn from any individual experience.

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If I should subdivide Mr. Pope's estate, I would not subdivide it again into the parcels in which I bought it. In the case of Mr. Pope's land I could probably get more by subdividing it than it cost him. I received my knowledge of the Holberton sale after I completed my valuation in this case. If you pick up the Holberton tract and set it over in the district west of the Buri Buri Ridge, I think you will get less for it than you would where it is located at the present time. I think the Holberton sale is a fair check to determine the maximum amount that could be realized from land of the same type west of the Los Pulgas Ridge. I am referring to retail price in large areas. If the Holberton sale were a sale made wherein no cash was to be paid for five years, and where interest payments were deferred, I would not say that the price was a fair indication as to the actual cash value of the land. It is axiomatic, and it is my experience that land sells lower for cash than it does on time. The Scarpas sale, the Schaeberg sale, and the McDermott to Ross sale, I consider a proper check as to the maximum retail value of adjoining lands. The Finkler sale is a check as to the maximum that you would expect to get for land of that type and in that neighborhood; if you were comparing it with the Spring Valley lands, you would have to take into consideration the difference in slope, location, and other minor differences. The same rule will apply to that as would apply to the Holberton sale. The application of those sales to the Spring Valley lands is a matter of judgment, but they certainly do fix a maximum retail value by which to check up the retail values of adjacent Spring Valley lands of a similar character.

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The Carolan sale is a better check than the Kohl sale. The Kohl sale is no check at all. The Elkins sale is closer, but it is in a tract which is getting the resultant of the promotion of other portions of the tract, so that I do not think that it is a perfectly fair check. The Armitage Orphanage sale is not a correct check.

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I did not depreciate the Spring Valley watershed holdings because of the fact that a man would have to take the outside parcels such as the land in South San Francisco in conjunction with them. That was not wholly consistent with my general appraisal, but you must

consider that those isolated parcels could be sold off at a fair retail valuation, and while it is a minor consideration, it is a consideration that that difference would help to reduce the investment, or help to carry the interest. At least, it would have some weight; so that while it might be that at first it would seem inconsistent to do that, it did not seem to me to be necessary to go over those separate parcels before appraising the watershed lands of the Spring Valley. These small outside acreages would not cut very much figure in determining whether a syndicate would purchase the bulk of the Spring Valley watershed lands, and the fact that they were to take those would not be a deterrent upon the price which they would be willing to pay for the watershed lands proper.

I doubt whether you could sell the Spring Valley lands off in the parcels in which the Spring Valley purchased them. If they should be sold that way, I do not think the seller would ever realize the amount which I have placed upon them, because it is so illogical that it would be very difficult to sell them; his interest and other things would run up so tremendously that I do not think he would come out. He would not be able to dispose of the lands north and west of Pilarcitos as estate lands if he disposed of them in the parcels in which they were acquired. If you were to subdivide these lands into country estates, it would take, in my judgment, 10 or 15 years to sell that tract off.

I can conceive of a situation arising where the lands on the east side of the lake, if they were sold off and highly developed, would tend to improve the possibilities of selling the west side. I can also say very clearly that if a man sold off the east side and lost control it might be a very serious detriment to the west side. In relation to the entire 20,000 odd acres, it is better to have it all available at once, rather than to try and concentrate on a small portion. It has been my experience that there has been no two people who wanted the same kind of country estate. The market is so limited that if you overcome their prejudice and induce them to buy something that is not exactly what they want, it may be that you absolutely restrict the market to what they would have bought and what nobody else would have bought. Unquestionably it is true that it would be better to sell the whole tract than to sell the east side prior to the west side. If these other lands were sold off first, it would not have a very great effect on the lands on the east and west shore north of the Canada District. It might improve the selling price of the Canada District, which covers an area from the Half Moon Bay Road south toward Woodside. That is probably the best unit to lop off, if you were going to cut any off as a large piece. It is not necessarily correct that the tract could be sold off quicker as a whole than it could be sold by dividing it into large subdivisions, and marketing those separately, but I think you would probably sell the large separate units off

quicker, although it is my opinion that you would get less money for the total if you cut off the three large units you have spoken of. You would not get the prices I have placed on the tract if you sold them off in the three large districts. If you wanted to maintain these prices, I would dispose of the lands by dividing the tract as a whole, and selling it in estates covering the large areas according to the way the unit might be worked out. I would not divide it. If this land were to be retailed, there would be necessity of making a considerable amount of improvements on it before it would be marketable. When I valued the land as a whole, I did not take into consideration any improvements.

Questioned by Master.

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I only took into consideration the existing improvements to this extent, that the land would not be worth what I figured it was worth were the sales not there; so that to that extent the improvements were considered, and were absorbed in the values I gave. I did not, however, try to figure out what those sales had cost. By sales, I mean the roads that we went over. (Counsel for Defendant stated that the City does not claim that Mr. Smith's valuation includes either the roads or the dams which are erected on the property, and that a separate valuation was to be introduced in the inventory of roads and dams.) I took into account the fact that the properties on December 31, 1913, were accessible to the extent that they were then accessible by those roads.

RE-DIRECT EXAMINATION BY MR. SEARLS.

In giving these percentages which are in this table, in order to get at the retail price of land, I assumed that they could be absorbed in the market; it was really rather a foolish assumption, but it was the only one I could make. I did not deduct anything for the cost of development. The percentage, which varies from 25 to 50 percent, and applies to the wholesale price in order to obtain the retail price, does not hold between wholesale and retail prices where lands are purchased for resubdivision, or for small acreage subdivisions. There is a greater difference because of a greater cost of development; there is usually a greater interest charge; there are the lapses in contract sales which have to be taken care of; the promotion or advertising cost, and the selling cost in brokerage, being anywhere from 15 to 30 percent. My commissions were only 5% for these estate sales.

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I have had some experience in the valuation of agricultural lands, and it is different in principle than the valuation of estate lands. Agricultural lands have an income generally as the basis, whereas, estate lands have only what the market will absorb, and at what price. The difference being the difference between something in the nature of a staple article, and something in the nature of a luxury. I was deprived in valuing estate lands of the rather valuable check of knowing

3815 what income the lands will produce, and to that extent the valuation of estate property depends more upon judgment, and less upon proved concrete facts. None of the estates I have ever sold had any restrictions in them, with one slight exception, which were some lands near La Honda, on which there was a liquor restriction. Generally speaking, the only way for a man to maintain the character of his country estate subdivision, and to protect the neighborhood, would be to use care in selection of the persons he sells it to. It is probably easier to sell under certain restrictions, because the restrictions protect your neighborhood, and consequently your market, is thrown open to anybody who has the money to buy. I do not think it is practicable to place restrictions on the sale of country estates.

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RE-CROSS EXAMINATION BY MR. McCUTCHEN.

3817 If you owned all the property on the east side of the lakes, you could provide in your conveyances that there should be no saloons or stores ever erected or maintained on the property, and it would not be an embarrassment to the sale of property for a country estate along that one little area, though I think it would if you ran that area down to the West Union Road. People who are purchasing tracts of land of considerable size do not wish restrictions; they do not wish to be bound down. They wish to know who is going in alongside of them, or who is likely to go in alongside of them. My experience on the matter of restrictions on a large tract has been a discussion of that very point with purchasers of country estates. I had quite a bit of discussion with Mr. Pope over his purchase. He knew at the time that there was a lot of property adjoining him that he had no control over, and never would have control over. I sold three properties to Mr. Pope, and the grantors sold all the properties that they had. We certainly had a discussion with reference to restrictions, but I cannot tell you how it arose. It was in 1912 I think; he did not get all the property he was looking for. He wanted some other property—I do not think there were any restrictions on it. I cannot tell you how the question of restrictions arose. In my experience I have had sufficient discussion with purchasers to conclude that restrictions would be a drawback. I cannot recall any definite conversation with Mr. Pope, but I know that we talked it over, not so much in regard to his own land, but about this other land that I had under option and was working on. I might say that he told me it would be a drawback to his purchase if there was a restriction on this other land, because he was considering the purchase of a portion of this other land. There were no restrictions on this other land, but the question was whether to place restrictions as to nationality, stores, liquor and so on. Mr. Pope did not say that he was opposed to restrictions of the sale of liquor in the neighborhood. In considering a part of this land, 3819 which was the Tacoma Mills property, the question of restrictions came

up, and the impression that I gathered was that Mr. Pope would protect the neighborhood himself, but he would not want any strings on the land that he bought. We did not get to the question of whether if there were no restrictions that he might buy the land, but that he would not buy otherwise. That is a part of the experience on which I base my statement that it would hurt property to put restrictions upon it.

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When I sold a small piece to Miss Peters in that same district, there was quite an objection raised to the fact that there was a liquor restriction in it, although nothing is farther apparent from her intentions than to use it for that purpose. There was no liquor restriction in the Woodham land that went to Mr. Pope. It is my recollection that when I was selling off the Martinez subdivision, which comprised the greater portion of the lower end of the Woodside Valley, and belonged to a man named Faber, that the first purchaser Mr. Greenwood and I discussed the matter of restrictions, as he bought a part of the land, and was afraid that somebody else might buy another part and put up something detrimental to the land that he had purchased. He would not have one with any restrictions in it, and there were no restrictions. He would have been willing to have restrictions in the adjoining land, but not in his own. I suggested to him: "We ought to have a blanket restriction covering the entire property". I cannot tell just exactly what he said. It was as he himself felt about his own purchase.

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In my experience the purchasers of country estates wish no restrictions, because naturally a man does not want to be embarrassed at all. If such restrictions were imposed, it certainly would restrict the market. Persons might buy country estates in the one case, but would not in the other. It would not necessarily be that under the one set of circumstances the property would command purchasers, and that it would fail for country estates in the other case, because if they had the restrictions covering the entire tract, they would probably figure they were safe, and would buy it; but it would exclude people who might have bought it to run hogs on. We are running hogs on Mr. Pope's and Mr. Crocker's land, and if you had a restriction against that, you can readily see it might militate against the sale of the land. I doubt very much whether a restriction against hogs would militate against the sale of this Spring Valley property for country estates, but I do not think that it would help the sale of the property very much, and it might hurt it. It is speculative. The market would not absorb that tract as it is, and if you put any restrictions on it, I doubt very much whether it would absorb it in the time I have specified. I think if a prospective purchaser thought that he was to be hampered in any way in the use of the larger areas of that property, it would retard the sale of it. It goes without saying that people would not go there and establish country estates if they were to have

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a hog-pen alongside of them, but the people who bought the property for country estates would depend upon the selling agents to protect them by selling to the kind of people who would not do that sort of thing.

3824 I would say that it would be a detriment in the disposition of this property to have restrictions placed upon the sale, depending in a measure, of course, upon the type of restrictions. I had nothing definite in the way of restrictions in mind; I simply had in my mind any restrictions which would narrow the market. A restriction on use is going to restrict the market. We might say that the restriction of the sale of liquor would be a negligible restriction, because it is inconceivable that one or two points on that tract would be logical for
3825 the sale of liquor. If there was a restriction in the conveyances against the use of property for the sale of liquor, it might hurt the remaining area, but the liquor element is a negligible one. If the company were to buy the Byrnes property and dispose of it with a restriction in the deed that it should never be used for the sale of liquor again, it would have a direct bearing only on the immediate vicinity, and would probably in that case raise the value of the immediate vicinity,
3826 but it would be very much harder to sell the Byrnes tract that way, because the market is wider for the sale of the Byrnes tract, as it is an income producer, than it would be with restrictions in it. Assuming that the company had bought the Byrnes property, and had gotten rid of the Byrnes improvements, and that a year elapsed before the whole property is put on the market, and that that tract is sold first with a provision in the deed that it shall never be used for the sale of liquor, I do not think generally speaking that the rest of the property would sell for any less on that account. There might be one or two points that might sell for less with a liquor restriction in it.

3827 I tried to sell the Portola Hills at Woodside as a whole before attempting to sell any of the subdivisions—with the exception of the portion which had been sold to Mr. Lawson and Mr. Schilling—and I had a buyer, but we discovered that Mr. Schilling and Mr. Lawson had bought under certain restrictions which were blanket restrictions, and the deal blew up. These restrictions were something about the location of barns, or the prohibition of barns for horses; the upkeep-
3828 ing of the roads as a liability against the separate tracts. The man who was figuring on buying it was George Greenwood, Vice President of the Savings Union Bank, and the restrictions, I think, was one of the most important reasons why he declined to buy. I subsequently tried to interest Mr. Schilling in the balance of the same tract, but he would not go in on any such idea, because he could not abandon the restriction covering the balance of the property. I do not recall off-hand any other direct experience that I have had.

If a portion of this tract were burdened with the restriction that houses of less than a fixed cost could not be built upon it, that would be

a detrimental restriction. If I said that the owner of this tract would have to see to it that nothing detrimental to the tract in subdivision was accomplished, I meant that there was nothing that would depreciate the value of the adjoining land making it less attractive. I did not mean that there should be some sort of a restriction imposed; in selling lands of this type you can get a pretty good idea from the purchaser as to what they intend to do. When I speak of restrictions, I refer to say the location of a dwelling, or the location and cost of the ranch property—of the buildings, if the tract is capable of being ranched.

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Questioned by Master.

If a restriction reasonably adapted to the purpose of the subdivision were imposed, it might not restrict the market. I am more or less familiar with the usual restrictions in the residence districts of a restricted character, but I have never known of restrictions in large tracts where the acreage runs up to a hundred or more.

RE-CROSS EXAMINATION BY MR. McCUTCHEN.

Referring to a question, and my answer on page 3773 of the record, wherein I stated that "The neighborhood might be good in the beginning, but the neighborhood that might develop might develop along poor and unattractive lines": I cannot conceive of the kind of restrictions which would prevent the neighborhood from developing along poor and unattractive lines.

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I have purchased land in Craigmont in North Berkeley, and also a couple of lots in Berkeley Heights, also in North Berkeley, under restrictions such as obtain in small subdivisions. I only know in a general way about the restrictions that obtain in such places as Presidio Terrace, Forest Hill, or West Clay Park, in San Francisco. I should think that in a small subdivision restrictions would probably aid in the sale of property. The distinction in principle between the small subdivision and a country estate, is that in the small one the primary factor is the dwelling, whereas in the country estate it is more apt to be the land than it is the dwelling. I do not mean that the man who bought the country estate would not care about his neighborhood. The neighborhood is more one of personality, although that is often demonstrated by the type of building. Restrictions that would be objectionable would be such as the cost of building, either the entrance or the outbuilding.

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My opinion as an expert is that it would be a mistake to put in a restriction that no house should be erected on the tracts east of the lakes to cost less than \$10,000. Other restrictions that I have in mind are the type and location, and the cost, of barns and outbuildings of a ranch nature, which would be an absolute necessity on certain parts of that land. It would be a mistake to make any restrictions so far as those are concerned. It would be a mistake to restrict the distance

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within which they might be built of a driveway, for the reason that every man who buys a country estate with the idea of doing any ranching on it, has notions as to what he can do. Some of this land could be sold to men who wanted to have ranches, but that would hardly apply to anything east of the lake.

Referring to the portion east of the lake, I think that in developing a tract, the road or the entrances should be so arranged that the logical place would be apparent for putting a garage, or for barns, and things of that sort; in that way, you would gain the point without the incubus of a restriction. It is a suggested way of overcoming what otherwise would be a difficulty, and there would be no restriction in the transaction.

3833 Generally speaking, this property is most suitable for country estates, and experience in handling the type of property to which this is best suited is what gives the ability to place a value upon such property. I do not think a person who has not handled this type of country estate is as competent to make an appraisal of it as a man who has specialized in that type of estates, and I know of no one who has specialized to the extent that I have. I do not think there is anyone who knows as much about what that land is worth as I do, but I do not know that I would go so far as to say that there is no one who is competent to value the property except myself. I believe that any man who has what is commonly known as the right real estate instinct can go into any district, and by the proper application of his training and experience, I believe in the ultimate, he would be able to arrive at a fairly accurate figure on the land under consideration, providing he gives study to local conditions and to sales of land as nearly similar as the lands he is considering. I think every successful real estate man anywhere has the real estate instinct, but that does not mean that he has the specialized experience that would enable him to judge of the value of country estate lands.

3835 The Jose Antonio Martinez property of 1,200 acres was a tract subdivided a number of years ago, and bought as a whole at a probate proceeding by a man on the peninsula, and I sold that off for him in eight different parcels. It is in the lower Woodside Valley, and runs up what is called the Coal Mine Ridge to Mr. Rolph's land. It was all purchased for country estates, and some of it at present is being used for country estates. I subdivided the land sold by the Tacoma Mill Co., and ultimately purchased by the Tacoma Land Co., at La Honda; quite a little bit of that has been sold. Then there is all the Hopkins land at Palo Alto, which we appraised, and in many instances re-subdivided, and have been selling. It was all subdivided before I had anything to do with it, but many of the blocks were poorly subdivided in our judgment, and we re-subdivided them. We did not make new maps of the tract, but we have sold according to the re-subdivision, and each case we had to make

a special deed. We may have made a deed with reference to the old subdivision, but that would not make any difference. That is about all I have subdivided, and constitutes my experience in subdivision.

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I know that the promotion of the district in which the Kohl tract is situated had an effect on the value of the land. I do not think that land is exactly what you would call country estate land. I cannot give you the date I appraised the Grainger property. I appraised part of it before I went on the ground, and I finished the easterly slope while I was on the ground, which was on the first trip. I got to that land through the Spring Valley land. I do not think that I would have said that the fact that Grainger had to drive to Half Moon Bay, and from there over 3 or 4 miles, had a marked influence on my appraisal of the land, but undoubtedly the poor condition and poor grade of the road did have a marked influence on the value of the land. The logical way to get to the Grainger land would be to take the Ocean Shore train to Half Moon Bay and then go up the road. I did not change my figures after I found that that was the way Grainger had to go into it. I would have added \$18 an acre to that if it had been tied to the Spring Valley land, because then it would have been a part of the Pilarcitos Canyon land instead of being an isolated part up on the top of the mountain, and that little piece would have been worth practically 100% or 80% more attached to the Spring Valley land. It is a little bit similar to the same case we cited between Sherwood Point and the adjoining piece above it. There is plenty of that character of land already in the Spring Valley holdings. This would have been worth 80% more, because it would have tied it with good stuff down in the Pilarcitos Canyon, and it would have carried a higher price.

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I evidently did not think that the Scarpas property would have carried a higher price if it were attached to the Spring Valley property, when I was on the ground, but thinking of it now, it is my judgment that it would not. It is more complete in itself than the part that runs down that gulch. You could not raise the part that runs down to the west if it were attached to the Spring Valley land, because the attachment would add nothing to it; the top part, which is on the ridge, is quite a unit, and I cannot see that it would be improved by being attached to the Spring Valley land, because it would not be a homogeneous unit with that portion of the Spring Valley land. That part of this land is down in the canyon, and the Spring Valley owns the rest of that canyon. Between the more or less flat area which is just above the Pilarcitos Lake, and the flat area which is being farmed on the Scarpas piece, the ridge culminates in a rounded peak called Scarpas Peak, and that breaks the continuity of the land which could be farmed. That is all that I meant by referring to Scarpas Peak. I evidently thought while on the ground that adding that portion of the Scarpas land to the

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Spring Valley land would result in enhancing the value per acre of the Scarpas land from \$22 to \$40.

3841 The portions of the Scarpas property that extends over that saddle on each side are very steep; I say in my notes that if it could be tied to the Spring Valley land, some of it would be worth \$40 an acre. By "sparsely timbered", I mean that it is not a dense growth. I call the timber fir on the Scarpas piece. They are not very tall, but I imagine it is the same kind of fir as in the Pilarcitos Canyon. There were tall trees on the Scarpas property when I was there, but they were cutting them, and they were hauling them out of the deep canyon, on sleds I suppose. The small piece of land would have become more valuable if you could have tied it to that land that ran down into the Pilarcitos Canyon. If it had belonged to the Spring Valley Water Co., I would have valued the 35 acres at \$40 an acre instead of \$22 an acre. I would not have depressed the value because of the undesirable way of getting into the property.

3842 The Carolan property, the most valuable portion, I valued at \$750 per acre, which is no higher than I have put upon the best property of Parcel 90 to the west of it, but there is very much less of Parcel 90 to which I gave \$750 an acre than there is of Unit 5 of the Carolan property. It would be unfair to try and use anything in the Carolan property as a basis of comparison, with the exception of the back or westerly portion. The small portions of Parcel 90 are just as good as the best of the Carolan tract.

3843 The average of expenditure for homes on country estates I gave as \$18,000. Mr. Carolan's property is a country estate; it is a kind of a combination of a large acreage country estate and the highly developed small acreage country estate. I have never dealt in the highly developed small acreage in the vicinity of San Mateo, but the piece I sold to Keyes near Redwood is a highly developed place, but not in the sense that the Carolan place is. It is along the same type as the small acreage highly developed country estate so prevalent around San Mateo and Hillsboro. The Callaghan place was fairly well developed in a minor way, and the place that Forde bought from Compton was fairly well developed. I have not sold any places that were highly developed in the sense that the Carolan, the Pope, the Borel, and the Crocker places are developed. I have not sold any that is highly developed in the sense that I have used those words. Mrs. Drexler's house cost in the neighborhood of \$25,000 or \$30,000, and Mr. Connolly's place cost about \$18,000, and Mr. Law says that his place has cost about \$20,000; these are places which I have sold.

3844 There is property on the westerly slope of Buri Buri Ridge that is just as valuable as the best of the Carolan property. Some parts of the Carolan property are very choice property. I would answer no and yes to the question, "There is no portion of the Carolan prop-

erty that is any more valuable than portions of the Spring Valley property on the west slope of Buri Buri Ridge"? I gave \$750 to something like 20 acres of Parcel 90, whereas I gave 110 acres of the Carolan property \$750 an acre. It is altogether a difference in property of good high-grade land. My purpose in grading the Carolan property was that I figured that I would find out sooner or later how much they paid for it, and when I found out, that it would serve as a splendid check against the back portion of Parcel 90. It was certainly very much better not knowing the price in advance, because if you know the value, you cannot tell but what subconsciously your mind is going to fit the figures you make and the figure you know. That is not the mental operation you should go through, because you want to know whether in grading your land you are continuously consistent, and if you are able to check here and there against something that you find out afterwards, it is a very much better check than if you are conscious all the time of the figures you are supposed to arrive at. I would not have had the same check if I had reversed those values, because they are different grades of land. I put those prices on here for what I considered was the proper price for that grade of land. I have no idea who is going to buy this land on the westerly side of Buri Buri Ridge. The Carolan price, I said, would give you a check as to the maximum price you could expect to get from the west side. I think I fully qualified the back part of it, because that is the only part that I considered comparable. The check that I have on the price paid for the Carolan piece as to the back portion of the property is only from the way I graded it on the ground, and without knowing what was paid for it. I do not suppose Mr. Carolan graded the land at all in his price, but I graded it just as though it was Spring Valley land, and the total of that was some \$353 an acre average. If Mr. Carolan paid an average price of approximately that, it is a check on the consistency and accuracy of the gradations that I made.

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The following was read from the transcript, page 3769: "Q. "Now, with respect to the Carolan piece, to what piece do you consider the Carolan piece to be comparable with the values of the "Spring Valley lands on the east side of the lakes? A. The Carolan piece would be an indication of the maximum price that you "would expect any portion of the east side to have, and particularly "I would compare the back part of the Carolan to the back part of "the contiguous land." Taking that answer as a whole, I mean that; I have in mind quite clearly the part that is comparable to the Carolan property. What I had in mind was this: I had graded that land on the same basis that I had graded all the Spring Valley lands that I had been over up to that time, and if I found that the total I had given in my gradations to the Carolan property was consistent with what the Carolans paid, it would show that those portions of the Carolan property which were comparable to the Spring Val-

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3849 ley lands would have been graded at the maximum that that type of land would be worth. I did not mean that no portion of the westerly slope of the Buri Buri Ridge was worth more than the price per acre paid by Carolan for his property. At the time I appraised the Carolan property, I heard some things which indicated that he had trouble in getting an outlet, but that he had been able to get it. I do not know what trouble he had. I do not know whether he had to acquire that means of access after he had bought the property. I appraised it on the assumption that the entrance question had been satisfactorily worked out with Mrs. Whitman. My price, if he had no outlet, would probably have been less, and that would have been about the difference I gave it, and what he paid, \$310 an acre. The \$310 had nothing to do with the allowance of \$20,000 for trees and other improvements. The \$353 per acre that I appraised it at takes account of that \$20,000, and is the net figure on the appraisal, less the \$20,000. Part of this Carolan property which I have appraised at \$750 an acre adjoins Mrs. Whitman's property, but is not the same character, or as good. The Carolan property is certainly very high-grade property in the front, but it is not as fine as any property down there. It is worth less than much of the Whitman property. I didn't appraise the Whitman property, because there you get so far away from a similar type of estate land that the check element would have vanished. It is true that I got quite a distance from the Spring Valley property when I got to the front of the Carolan property, but in order to get that Carolan figure, I had to appraise it all.

3850 The property which Mrs. Whitman purchased immediately adjoining the Carolan property might well be appraised at \$2,000 an acre, because it is partly improved, and taking it as a whole, it is a different class of property from the Carolan property. It is down in the heart of the larger Hillsboro places; the contour is different, and it is less exposed. If you were to deduct the improvements on the Whitman property, allowing for the fact that it was a retail and not a wholesale sale, and then compare the Carolan property with the Whitman, you would be on safer ground. As a guess, I would say that the Whitman tract consists of 110 acres. I do not think that the Whitman sale was retail any more than Mr. Carolan's purchase, but it is a different thing talking about his purchase, and the way I appraised it; I appraised it wholesale, and I think it was the market value of Mr. Carolan's property on a wholesale basis.

3851 By wholesale basis, I mean that I appraised the Carolan property as though it were a part of the Spring Valley property. Taking it as a property by itself, I would say it would be worth 50% more than I appraised it at. At retail, my valuation would have been \$525 an acre, but I do not think Mr. Carolan paid the retail market price. I found he got it on what I would consider a wholesale basis, but compared with 22,000 acres, I look upon it as a retail transaction.

The purchase of Mrs. Whitman's property would be considered a retail purchase, and for the same reason, Mr. Carolan's purchase might be so considered, but I do not believe it would be, in view of the rough and undeveloped character of the land, and the size of the tract, and the isolation of the district; it is about four times the size of the Whitman place, which is 140 acres. It is my opinion that Carolan got his property on a wholesale basis, and as a retail transaction it is worth 50% more than I appraised it at. I think he got it at a very cheap price, but I think there are probably reasons why he got a cheap buy. I think I am safe in assuming that it is the highest price that the back part of that land could have been sold for.

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The Carolan piece would be an indication of the maximum price that I would expect any portion of the east side to have, because I appraised the Carolan piece on the same basis, and my appraisal totaled more than Mr. Carolan apparently paid for it. The only part of the east shore that I compared with it is the back portion of 90. I did not segregate the property on the west slope of Buri Buri Ridge into retail parcels, but I had segregated the portion on the east side into such units as appear on the map when I stated that the Carolan piece would be an indication of their maximum price.

When I stated, "I think Buri Buri Ridge and Pulgas Ridge would both play a negative part, they would influence the prices and the type of development detrimentally", I meant that it splits the better developed San Mateo area from the west side; if there were nothing there to split that area, it might be that it would be more advantageous to the westerly area. The fact that I have put \$750 an acre as a wholesale figure on a portion of Parcel 90 does not necessarily mean that I would expect to sell that portion for \$1,125 an acre; you can hardly pick out any individual unit and add 50% or 100% or 300%, or anything like that; you have to take the topographical unit, or the principal subdivision of the land.

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Refer to Unit 10 of Parcel 90, \$750 an acre; if I had no regard for anything else, and was told to put Unit 10 on the market, I think you might get even more than \$1,125 an acre. I could find a buyer for this neighborhood, and notwithstanding the detriment caused by the presence of these ridges, I could sell the property for \$1,125 an acre, but it is not at all unlikely that if the ridges had not been there, the price might have been higher. The presence of the ridges might interfere with the disposition of the property at 50% above my figures. I think that the ridges would have a detrimental effect upon the entire tract, taking it as a whole, and not taking any one little part of it. There is not very much of a break between the back part of the Carolan property and the Spring Valley property, except a windbreak in the way the trees have been planted there.

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The following was read from page 3774 of the transcript, referring to these ridges: "Q. Is that true of the low foothills which

"separate Woodside Valley from the main valley around Palo Alto and Redwood City? A. It is true as to the separation of those two districts, but there is practically nothing contiguous to Woodside, so that the effect is negative because of the large area of Stanford University lands that cut in there. Q. Would you say that in the development of Woodside there was any such break as 'you have just described? A. Not in the development of Woodside, no."

3857 The developed area of San Mateo is on the bay slope of the foothills. For convenience, we will say, from the crest of the Buri Buri Ridge down to the State Highway; the development of the Spring Valley area west of that is broken by the presence of the Buri Buri Ridge. In the central part of the Woodside Valley it is quite highly developed with country estates: The Folger property, the Talbot property, the McIntosh property are examples, and indicate the place where I mean. The development of the Woodside country went to the south down the valley, but there was nothing in between; no obstruction. The Woodside country had no such break between the developed portion, which would have an influence on it, and the portion which was developed and which grew, and which was sold and re-sold. The development at San Mateo would have a marked influence on the Spring Valley property.

3858 I think it would be a deterrent influence to a purchaser going over that ridge, and having his home on the westerly side of it, assuming other conditions to be substantially equal. The development at Woodside started at Woodside Valley; there was nothing to overlap a hill. They had to go up the Woodside grade to get to the Woodside property, which I think is as high a hill as the Buri Buri Ridge, and I know that there are cases where people would not buy at Woodside because of that grade. Dick Pease was one.

3859 The San Carlos country is a beautiful country back in the canyon, but I would not say there is a great deal of ideal property in it. Some of it is very beautiful. I do not know what advantage it had climatically over the property I sold to Mr. Pease.

3860 The following was read from page 3777 of the record: "We might say all the trees are wind-blown right back of Hillsboro, but 'on the east slope'— That is not the fact in the gulches, but up near the crest of the ridge all the natural trees that are not protected by the artificial growth, are quite badly wind-swept. I do not wish to be understood that the matter of wind is an unimportant element, as it has this importance, that it affects a general district. It must be considered in relation to the livable condition of a location.

The northwestern lands of the Spring Valley would probably be sold for pasture purposes, and there are some portions that could be sold for farming at the present time, such as hay. In stating that,

I was figuring, if I recall correctly, the contiguous question and what followed, and that was in working out the possibilities of cutting the 22,000 acres into several large pieces. It has occurred to me that it might be possible to sell the 7,000 acres, or one-third of these properties which we have spoken of for a game preserve. I think it would be very difficult to get \$500,000 together in five days to buy that 7,000 acres for a game preserve. I tried to sell various properties for that purpose back at Los Altos, and in the Woodside and the La Honda country, but they were not of this size. I don't think there is any property back of Los Altos or elsewhere that is stocked with game such as this has grown to be stocked with. I do not think I know what men pay for property for a use of that kind. I do not know what prices are paid for duck lands, as I have never had any such transactions. I do not know of any game preserve that would be as accessible to a large city as these 7,000 acres would be, but I think it would be extremely difficult to get 50 men to put up \$10,000 apiece to buy that property and convert it into a game preserve. I tried to sell the Tunitas Canyon to Mr. Fitzhugh at \$5.75 an acre, and he would not buy it. He got there by way of Kings Mountain. I suppose it would be an hour and fifteen minutes from Redwood, but I do not know how long it would take from San Francisco. I thought of this purpose in connection with this property when I was on it, but I think the highest price you could get for it would be for pasture purposes. From discussions I have had with people in trying to sell land on the peninsula for game preserve, I do not think they would pay the price.

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I do not know how country estates are improved in other places than in this locality, only from what the magazines dealing with that type of thing show. I look forward in the future to seeing these country estates highly improved, but it has not come as yet. It is a different type of estate about Hillsboro. The Crocker estate is an exceptional one, and the Whitman estate is different from the bulk of the estates into which this land could be cut primarily in its location. Some of these Spring Valley properties are exceedingly attractive, and would bring high prices, but they are not as attractive as the Crocker place. There might be parts of the Crocker land which is identical with the Spring Valley land. The Husing place is a very attractive piece of property, but I do not know anything about the type of improvements that are to be put upon it, except from the newspapers. In the future, undoubtedly, the whole peninsula will be filled up solid, but that was not the case in 1913, and it is far ahead of 1913.

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I think the minimum time in which you could dispose of this property for country estates is 10 years. You could not begin selling it right away, as you would have to work out the proper subdivision of the tract; you could begin selling it within a few months.

The proper development of that land would cost close to \$750,000, or \$800,000. The price would be in round numbers \$1,600,000, and figuring that it would cost \$750,000 to develop it, and that the minimum time in which it could be disposed of would be 10 years, you
3865 a little more than a half the time. I have no idea what the taxes would be during that five year period, figuring that the total cost would be \$3,020,000, which includes the price of the property, \$1,600,000, \$750,000 as the cost of improvements, and interest over the five years
3866 at 6%. It would be conservative to figure the taxes at \$250,000 for all those years, the tax rate being \$1.97. The selling expense would probably be 20% of the selling price, or \$600,000, which makes a total of \$3,870,000. I say that the retail value on part of the property would be about 50% over my figures, but I have not tried to work out the ultimate selling price of the entire tract. I think I could have sold it to a syndicate at the prices put upon it by me. If the syndicate asked me about it, and said they didn't know anything about the market or selling possibilities of that land, I would
3867 have hesitated in advising them to buy at my figure. If that question had been asked me, I would have said, as it looks now it looks as if it might be all right, but I certainly would have gone into it very carefully if the responsibility had been placed on me.

The separate gradations of my units are not retail prices, they are the wholesale prices. It would be impossible to give the retail value without making a new appraisal of the entire 22,000 acres.
3868 The exhibit that was offered today was an approximation, and is not intended to express my opinion of what the retail value is.

Questioned by Master.

It is an expression of my opinion as to what the land within the districts covered by those parcels would probably have sold for at retail in 1913, assuming the market to have existed, which it did not, at those prices. It was simply using what I have found to be a general percentage for certain types, in order to try and arrive at what a fair approximate retail valuation would be.

RE-CROSS EXAMINATION BY MR. MCCUTCHEN.

After I had valued these lands as a whole, I took all of the lands in all the districts in which I had operated, added the acreage in one column, and the purchase price in another column, and took
3869 the additions of the two, and ascertained the average price per acre in that way of the pieces which I had sold. I did not include anything in Palo Alto, or any town lots whatever. I included the Hoover purchases, which were in direct competition with the La Honda lands when the sale was made. I might say they bore the same relation to the Woodside lands, only in a less degree. They bore very little relation to the lands in the district where the Sharon pur-

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

chases were had. I included the Sharon purchases. That was only a general check, and it is just as proper to add up all the selling prices, and all the acreages of the different kinds of land sold, as it is to add up all the prices and all the acreages of different kinds of lands appraised. I also included in that the orchard lands down around Los Altos, but there was very little of that improved land in the totals. I think the check would have been closer if it had been segregated.

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If I had taken the Hoover purchases by themselves, I would have had one particular character of land, but I would have had a good many different kinds of land in one unit, and I would have had to take into account the location. It is very hard to compare the Morsehead tract with the Hobart tract which sold for \$750 an acre. The Claffey property is of the same type as the Morsehead property, only to the extent that it is on the side of the Sierra Morena Ridge which runs from the floor of the valley to the top of the ridge. It is very hard to compare the Claffey property with the Morsehead property, for it is not exactly the same type. The Morsehead property is a better property from the standpoint of salability, and from the standpoint of scenery, it is more beautiful than the Hobart property. I think you would be able to sell the Hobart property quicker and at a higher price, because of its location.

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Parcel 5-2 is comparable to both La Honda and the Hoover purchases, and the Hoover purchases are comparable to La Honda. I do not think they are as good property as the La Honda property, but the difference can well be absorbed in the price asked. The Hoover purchases must have averaged about \$22, roughly speaking, and as an average price they are comparable to the La Honda lands which sold for \$57.60.

When Mr. Pope went to La Honda first, 100 acres was about all he wanted. His place at Hillsboro is about 40 acres. I think that the Elkins land is more comparable with the Spring Valley land than the Kohl land is, and to that extent it would have some influence, but I do not think that the Elkins' purchase has any particularly direct bearing on what nearby Spring Valley lands might be worth.

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It might be better to sell the west side of the lakes, rather than to sell the east side separately, because a syndicate purchasing the west side, if it has the east side, will immediately see that the east side will carry more of the burden of the tare, even though it is not attached to it. If a man controls the whole thing, he will probably make the price of the east side so high that it will force sales on the west side until the proper amount in his judgment has been absorbed, and then he might begin to concede on the east side. The east side is usually the more readily salable if the prices are equitable. If the east side were sold away from the 22,000 acre tract, undoubtedly the purchaser of the east side would want to get as

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much as possible out of it, but he would hold the west side because he would not sell the east side at anything above the retail market price; he could not, unless the man on the west side held all of his land off the market. I think there would be a tendency that each side would weaken the other if they were sold separately.

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I think the Sutro property is being sold in subdivision to different persons, and the subdivisions are being put upon the market at the same time, but that, with exceptions is the same kind of land, and the type of buyer is very much the same; it is City property, and in that case, those people would not have pursued a policy to destroy the other. If all the buyers could be suited in one tract, you could not sell the rest of the land, but I did not say that the putting of those four subdivisions in the Sutro tract on the market at the same time resulted in cheapening all the property, because there are other elements that enter in. The Sutro properties are town lot subdivisions, and it is very much harder to sell a man a country estate than it is a town lot. Referring to the Spring Valley lands, the west side is a wholly different type of property—mountain property—from the east side, which is more in the nature of foothill property. In the subdivisions in the Sutro tract there is not that marked distinction. Generally speaking, the west side being a different property from the east side, would not attract the same sort of buyers as the east side. There would be the competition in that very often a man does not know what he wants. There are many cases when a seller of a tract of land can influence a buyer to one place or another, or in talking it over with him, find out that what he really has in mind is not what he thinks he has in mind.

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It is very likely to be true that agricultural lands are sold on an income basis. I appraised the Scarpas land as a part of the Spring Valley land, but I think all that land up there was influenced more by the residential possibilities than as agricultural or stock lands. I knew the Scarpas lands were not owned by Spring Valley, and I appraised them on what I consider the highest value to which they were useful, which for the main part was agricultural, but the residential purpose entered very materially into the ideas which were involved. The total appraisal, not taking into account the \$18 an acre for the timbered part, would represent more than the agricultural, and I do not think they would be considered appraised on an income bearing basis. It may be that the residential was the highest value that the land had; not that Scarpas in selling it, or that Granger in buying it, bought it with that in view, but it was affected by its proximity to San Francisco and the State Highway. It probably was more residential than agricultural. I cannot tell you whether my appraisal was an agricultural appraisal or not, as I have not any note here to show. I do not think it would have that value on a cold-blooded agricultural basis. I don't think it would be worth \$3,570. It sold for \$2,750.

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SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

FURTHER RE-DIRECT EXAMINATION BY MR. SEARLS.

When I appraised that Scarpas land, I knew that Mr. Grainger came up a road from the Half Moon Bay Road, but I did not know how the road ran down the ridge, and I only knew about the distance he had to travel in a general way.

When I spoke of ranch use for some of the Spring Valley property, which would be bought for country estates, I did not mean that the use as a ranch is a primary use to which the purchaser intends to put the property; it is more of a secondary use in an effort to make the estate carry itself.

When I say that I would hesitate to advise a man or a syndicate to purchase these properties as of December 31, 1913, at the prices I put on them, I do not mean anything more than that I consider I placed a liberal value on the property. My idea is this: If you go into a tailors to buy a suit, you have in mind approximately what you want; you tell him that you are thinking of buying a heavy, rough goods, and if you have confidence in the tailor as a tailor, all you will do is to have him throw out bolt after bolt until you see various ones; you will say this one is a \$90 suit, this one is a \$65 suit, and if you know something of quality and cloth, you simply decide, taking into consideration the points you have in mind, that the \$65 suit is what you like, and you tell him to go ahead. That is one proposition. If, however, you go into a tailor, having confidence in him, and say that you want a dark gray rough goods suit for the winter, and he shows you as before bolt after bolt, and prices them as before, then you say to him, I don't know anything about that kind of cloth. I want you to tell me whether that \$65 suit is a good buy, and whether it is all right at that price for the uses I want to give it, the burden is then shifted on to the tailor, and he must follow the dictates of his conscience, or whatever you choose to call it. I am endeavoring to draw a distinction between where I might be in a fiduciary relation towards the proposed buyer, and one in which I am not. I have assumed in my valuation here that I was not in a fiduciary relation to the supposed hypothetical buyer.

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FIFTY-SIXTH HEARING.

NOVEMBER 5, 1915.

Witnesses for Defendant: H. C. TUCHSEN, PETER FABER,
B. P. OLIVER.

Tuchsen

DIRECT EXAMINATION BY MR. SEARLS.

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I am 52 years of age, and reside in Redwood City, and am, and have been engaged in the real estate business between 9 and 10 years. I have resided in San Mateo County about 21 years, and was Road Commissioner of the county, also a City Trustee of Redwood City,

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and am now City Trustee. I have had charge of the John A. Hooper property, at Woodside, for 12 or 13 years. I had nothing to do with real estate during that time, excepting as I felt like investing in real estate, and also Mr. Hooper would talk to me about friends who wanted to get a homesite, and as a consequence I have consulted with people who had homesites. As manager of the Hooper Estate I have had experience in caring for the estate, and acquired familiarity with the cost of ordinary estate improvements. I took the management of the Hooper properties, I think, in 1893 or 1894, and relinquished my management in the latter part of 1905.

3882 During those years I watched rather carefully the progress and development of San Mateo County, and I think it would have been difficult, in December, 1913, to sell the lands of the Spring Valley Water Co. located in Crystal Springs Valley and the north end of the county. It would have been more difficult to sell these lands in separate holdings, because you would have to have that many more buyers, whereas if sold in one piece, you might confine it to one, two, or a dozen men.

I am only familiar with the Spring Valley lands from what I have seen of them in driving through on the road. I have made no appraisal of those lands. I would not make an appraisal of any lands other than by grading it. As a guess, I would say it would take from 10 to 20 years to sell those lands off in holdings running as high as from one to three hundred acres.

3883 In 1911, I sold the Knopf piece, the Scalmonini piece, and the Bassetti piece, in the Canada District, to the Spring Valley Water Co. I have known the Knopf piece about 18 years, and became acquainted with the owner of that property first about 18 years ago, through a Mr. Sickert. Mr. Howell, of Baldwin & Howell, with whom I have done a good deal of business, requested me to buy the Knopf land. The price paid was \$33,000, including some improvements consisting of a vineyard, winery, dwelling, two barns, a reservoir and pipe line, and fencing, the reasonable value of which would be about \$16,000. The Scalmonini piece I also bought for Mr. Howell at the same time that the Knopf piece was bought, and the price paid was \$28,000, including improvements. The improvements were a vineyard, winery, dwelling, two barns, a blacksmith shop, outbuildings, etc., the value of which would run about \$14,000. I bought the Bassetti piece for the same party, and at the same time that I made these other purchases, the price paid being \$16,000, and included a dwelling, stable, fencing, and outbuildings, the value of which was probably \$2,200.

3885 The Knopf piece would be the prettier piece for residential purposes. From the Canada Road the Bassetti piece looks better than the Scalmonini piece, but I am not familiar with the rear of the Scalmonini piece. I could not see very much difference between the two.

I am familiar with the land purchased by C. A. Hooper from Bost-

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

wick, consisting of 735 acres, which is across the road from these other pieces, toward the east of the Canada Road. The purchase was made in 1909, and he paid \$50,000 in round figures. The properties have been subdivided, and were put on the market around 1911. One piece has been sold to Mrs. Frances Madden, for \$275 per acre. This piece is located about 3½ miles from Redwood City, and on the slope toward Redwood City. It is on the easterly slope, and has a good view of the bay and the valley. The Canada lands, by the Woodside Road, are about 7 miles from Redwood City, but it would be a mile and a half or two miles shorter by the West Union Road, which is a pretty bad road. There were 35 acres in the Madden piece.

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I think the Hooper lands as a whole are a little more desirable from a residential standpoint than the Spring Valley lands in the Canada District; there is a better view and a little better climate, and closer proximity to transportation. Mrs. Madden put out a walnut orchard on her piece. The front portions of the Knopf and Scalmonini pieces would grow walnuts, but the central and back portions would not, as the soil is too shallow. I have known the Connolly land for 18 years, and I have sold it twice; once for Charles Kris to Thos. Maloney, and another time for Thos. Maloney to Ed. Connolly. This land, I would say, is a better piece for residential purposes than the Spring Valley land; the northerly line of this tract is the dividing line of the water flow in the Canada, and therefore it is on a southerly slope. Then, too, there is quite a nice bunch of live oaks and white oaks, and undergrowth in this tract; there is a fairly good building site in front; the rear is very pretty, as there are a good deal of wild woods there, a growth of redwoods, some tan oak, a pretty little wilderness; the rear is accessible. The West Union Creek is at the rear, and there are a couple of springs on the front. It is better because the southerly slope of the Canada is the more attractive. There is not much difference in climate, but there is some difference in its favor, being on the divide. Whatever wind is in the Canada is stronger on the northerly side of this divide than it would be on the southerly, since the wind comes from the northwest. This Connolly piece is right south of Spring Valley Parcel 208.

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I would not consider the Woodside District as comparable with the Canada District of the Spring Valley Water Co., because the Canada country is less desirable because it is open, and there is more wind there, consequently the climate is not as good as at Woodside. The types of settlement at Woodside are mostly high-class, and would be likely to affect values.

CROSS EXAMINATION BY MR. MCCUTCHEN.

I know the Connolly lands at Woodside in a general way, and I know the Hale place, the John A. Hooper place, and the Joslyn place well. I think Mr. Folger's residence is the most valuable one in Woodside. The next most expensive residence might be between the

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Schilling place and the Fleishacker place. The latter, I think, is protected considerably by the lands lying to the north of it from the winds, and these lands are quite heavily wooded. I think it is a mile and a half from the Bassetti place. The property which lies in front of the olive orchard belonging to McCarty is better than the Bassetti property on account of climate conditions, and the fact that the location is better, and also the soil. This piece is a little further up the Canada than the Rattan piece. There is one of the biggest oak trees in the country on it, and also a yellow building.

I am not sufficiently familiar with the Connolly property to venture an opinion as to its value. I am familiar with the market value as of 1913 of the Winckler piece, in Woodside, sold to P. C. Hale. I sold that about 1913, or a year earlier, for nearly \$500 an acre. It is not as far south as the Connolly property. I had something to do with the Connolly property at Portola in 1912, when I was about to sell it to Fleishacker. I had the price on it at that time, but I never investigated it close enough to know whether it was worth the money asked for it. The question of values in San Mateo County is one that is wide open; the values are established by the desires of prospective buyers, and the neighborhood has something to do with it; distance from the station; condition of the roads to be traveled; the environments; society; all of these things should be considered before anyone can arrive at the value of a piece of property in Woodside. When I say that one portion of the country is more desirable than another portion, I took into consideration the selling prices; locality is what counts, and when I say that one locality is more desirable than another, I mean that it has a greater market value than the other. I do not know of any values in Portola without a thorough examination of the land, and I would not consider for a moment to give the value of a piece of property without knowing it.

Questioned by Master.

When I say that the Connolly land near Portola is more desirable than the Bassetti piece, for example, I mean the Connolly land would be more desirable if the question of what you might get the land for were not a consideration, as it might very well be that it was worth a good deal more money.

CROSS EXAMINATION BY MR. MCCUTCHEN.

The Hale land is located about the center of Woodside, on the main highway; it stretches to the center of the creek, and runs to a point where the Mountain Road branches with the Woodside Road. I sold a part of that land, about 17 acres, for \$750 an acre, to Fred Meyerstein. I would consider the Hale piece the most valuable property in Woodside as to locality. It is not more valuable than the John A. Hooper property, which you could not buy for any such price as that. I think Mr. Hooper paid about \$75 an acre for that property. Mr. Hooper would not sell for \$1,000 an acre.

You have to go probably as far as the Byrnes place in a southerly direction from the Bassetti property before you notice much change in the climate. There is a growth of timber to accentuate that change as you go further south. Also the rolling character of the land, and the practical ceasing of the Canada Valley at Woodside. The narrow strip which the company owns to the south of the Bassetti piece is probably a little over a quarter of a mile north of the Green Road, where the change in climate begins to be marked.

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The Connolly piece adjoining the Bassetti piece is better for residential purposes than the Canada lands of the Spring Valley, and in that comparison I had simply the Bassetti piece in mind, and I wish now to limit it to the Bassetti piece. The Connolly lands are more desirable, and more appealing to anyone loving trees, and nature and beauty, and they would sell easier and bring more money. They were more valuable, but before I would endeavor to give any values on any piece of land, I would want the privilege to thoroughly examine it. I can tell you what these lands were offered for, and what was given for them, but what their value is I cannot say until I have given them a thorough examination. The Connolly lands are worth more in the market than the Bassetti lands, which I know from experience of the two tracts. I have had them both on my list, but I have never found anyone who wanted to go over the Bassetti piece, because there is so very little in front to appeal to anyone, and I could not tell them that there was anything particularly desirable at the rear. There was something in the front of the Connolly piece that would appeal to anyone, and I could truthfully tell them that there was something still more desirable in the rear.

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Questioned by Master.

The large winery is on the Scalmonini piece, north of the Bassetti piece.

CROSS EXAMINATION BY MR. MCCUTCHEN.

There are a good many oaks on the rear of the Bassetti piece, and about 9 or 11 oaks on the front. The piece purchased by McCarty has comparatively little growth on it, and I think he paid in round figures about \$7,000 for the whole piece, but as I do not know the acreage, I could not say what he paid per acre. The Bassetti piece, because it has comparatively little growth in the front, is not as attractive as a piece that has something on it. The narrow strip has a splendid growth back in the gulch, decidedly prettier than on the Bassetti piece. I am speaking about the easterly slope. The pretty oaks on the Bassetti place are in the rear out of sight; the oaks on the narrow strip of the Spring Valley piece are all in front, and in full view. The soil is the richest kind of bottom land, and it is a very attractive little piece. It is cut by two creeks that go dry in summer. This piece is more attractive and better for residential purposes than the Connolly land, which lies next to the Bassetti piece.

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3901 I am in the real estate business now. There is no way of getting to the Madden piece over a public road, and the private road leading to it from the County Road is, I think, approximately $3\frac{1}{2}$ miles in length. I did not appraise these lands for the City, and made no report to the City at all on values. I made no written report of any kind.

3902 The Hooper lands, purchased by Charles A. Hooper, and part of which were sold to Mrs. Madden, were more desirable than the Canada lands of the Spring Valley Co. The Madden portion is one of very nearly the best pieces in the Hooper tract, with one drawback, that it has not a site for a residence, and Mrs. Madden had to grade down a hill, and spend considerable money in order to get that site there.

3903 The price paid for the Madden piece was \$275 an acre in 1911 or 1912. I believe I would take the Spring Valley piece, consisting of the narrow strip of land on the Canada in preference to the Madden piece; the pretty part of it is down in a draw, and the hill to the north extends out from where one would want to build, and one would have a pretty well sheltered place in there. I would choose this piece as being more valuable acre for acre than the Madden land, but it is difficult to say what the other fellow would feel about it. Broadly speaking, this narrow strip partakes of the general conditions of the Canada, and to that extent the Canada lands are more desirable than

3904 the Madden lands, but I think that this little piece is one of the most attractive pieces there. The McCarty piece is not of about the same character of land. The rear of the Spring Valley piece is more desirable than any part of the McCarty piece for residential purposes. This narrow strip I would prefer to the Connolly lands which adjoin the Bassetti piece, partly because of the soil, and also on account of the beauty visible from the Canada Road, such as the clump of live oaks to the rear of this piece, which makes a beautiful site, and would be an ideal building site. The same is true of the Bassetti piece. It is my notion that a man buying the Connolly piece for a country estate, would put his house in the rear and out of sight. If one located his house on the Bassetti piece in the rear and out of sight of the County Road, he would not have a location equally as beautiful as on the Connolly piece, as the Bassetti piece has been cut over, and nearly all the timber is second growth live oak; the hills drop off so abruptly on the Bassetti piece, that I think it would be impossible to get a road up from the West Union to the top. I have examined the properties with that in view. If you could stretch the lines of the Bassetti piece over the Knopf and Scalmonini pieces, you could put in a very attractive and good road very easily.

3905 The rear portion of the Bassetti piece, looked at from that standpoint, would not be an attractive building site, because it is too abrupt, and there is not enough in there on which to put a house. It is very rough indeed. I have gone over the Bassetti piece in 1909 or 1910, with a building site in view.

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

When I say that the Hooper lands are more desirable than the Canada lands, I am referring to the Bassetti, Scalmonini and Knopf properties. I am familiar with the Scalmonini and Knopf pieces only from what I can see from the Canada Road. The Knopf piece has a very pretty building site, and some nice redwood visible from the Canada Road. On the Hooper hills there is lots of timber, but most of it is down in the low places. There are more live oaks there than white oaks.

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The portion of the J. J. Moore tract, where Mr. Chamberlain is, is more attractive to my mind than the Hooper property. I am familiar with asking prices in the locality of the Moore property, but I really do not know what was paid for those properties. I did hear what Mr. Chamberlain paid for his, and I was particularly interested in that, because I had had Mr. Chamberlain over the Hooper hills, trying to sell him something in there. From hearsay, the real figure was something like \$350, and the figure given out was \$700. (Counsel for Plaintiff stated that the witness was very much mistaken in these figures).

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I do not recall having received a letter from Mr. A. S. Baldwin, on the 5th of September, 1912, saying that he had been requested by the Spring Valley Water Co. to make a valuation of the narrow strip which is now owned by the Spring Valley Water Co., but I am perfectly willing to admit that it is so, as I know that we had correspondence about it, and it would have been very unlike Mr. Baldwin to keep me in the dark as to why it was wanted. (Witness was here shown a letter, dated September 10th, 1912, which he admitted was a letter written by himself). I appraised this narrow strip in that letter at \$350 an acre, and I thought it was worth that at that time, and I knew as much about the climate of the lands bordering on the Canada in 1912 as I do now. I think the portion of the narrow strip covered by the clump of trees on the westerly half has a different climate from the Scalmonini, Bassetti and Knopf pieces.

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Mr. Fleishacker's house is located to the south of the termination of the Green Road, and I should say that his barn is all of 1,000 feet from his house, and if you run in on his property, you will run right into the barn; the county road proper would not go within 100 feet of the barn, and butts up against the lot on which the barn is located. The Green Road is the southerly boundary line of the McCarty property, which is within a quarter of a mile of the narrow strip. The narrow strip is protected from the northwest; whatever wind there is sweeps down through the gap, and shoots off on a line to Chamberlain's. The Fleishacker piece has the advantage of all those hills, and the advantage of the slope of the valley. I lived on the John A. Hooper place for a good many years, and we had something more than zephyrs in there at times.

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Witness: PETER FABER for Defendant.

DIRECT EXAMINATION BY MR. SEARLS.

3913 I am 44 years old, and have resided for three years at Ravens-
wood, San Mateo County. I resided at Ravenswood prior to that time
20 years ago. I own property near Ravenswood, which adjoins the
land of the Ravenswood Investment Co., and the Spring Valley Water
Co., and the San Francisquito Creek. I have had them about three
years, and they consist of about 800 acres. (That is on Map 7). About
300 acres was marsh land at the time I acquired this property. I paid
3914 \$137,500 for the entire tract. I was told that if I did not want to take
the marsh land, they would take off \$50 an acre from the purchase
price, but I thought at that time that the marsh land was worth \$50
an acre to me. I know, and have been over the lands of the Spring
Valley Water Co. adjoining the bay shore in the vicinity of Ravens-
wood. The marsh land I acquired differed from the marsh land owned
by the Spring Valley Water Co.; the San Francisquito Creek adjoins
the land which I had, and had overflowed there in days past and
brought in a lot of sediment on a portion of those marsh lands; also
there was a chance of turning this creek back in on the marsh land
and reclaiming it, which could not very well be done with the other
land, such as the Spring Valley, without going out a considerable
distance. This sediment from the overflow is a very rich soil. After
the water of San Francisquito Creek leaves my place, it dumps on a
portion of the Spring Valley land. My land is all north of the creek,
3915 and all in San Mateo County. I go almost to Cooley's Landing north,
and that is the next point south from the Dumbarton Cut-off. It was
not possible, on December 31, 1913, for the Spring Valley Water Co.
to divert the waters of the San Francisquito Creek over any of their
lands in San Mateo County without passing over the land of some
3916 other person. (Counsel for Defendant stated that he is referring to
Parcels 155 and 157).

3917 I know the prices for which land in that vicinity where I live has
been bought and sold for, as of December, 1913. There was very
little marsh land sold in 1912. I know what it has cost me to reclaim
3918 marsh land and devote it to agricultural uses. I looked over a great
deal of that marsh land with the intention of buying, say 10,000 acres
and reclaiming it, from where we speak of now to Alviso. I went to
the court house, and found that it was in several different names, and
when I got hold of the assessor, he told me that the Spring Valley
owned all of it, and that it was not for sale, and that ended my work
of looking up that marsh land.

The value of the Spring Valley Company's marsh land in San
Mateo County, lying north of my property, and north of the Dumbar-
ton Cut-off I figure as of December 31, 1913, was \$15 an acre, and we
would have paid \$15 an acre for 10,000 acres of it along that marsh,

if we could have gotten it. Referring to Parcel 157, on Map 7 of "Exhibit 8"; it is badly cut up with sloughs, whereas the land I purchased had very few sloughs in it. I think those sloughs are classed as navigable streams by the federal authorities, and I made an investigation to ascertain that fact at the time I purchased my land. If these lands contain navigable sloughs, to reclaim them you would have to put a levee on both sides of the sloughs, as you could not cross it, and you could not dam up the slough, because it is against the federal law to dam a navigable stream. On the land I have, there is sediment that has been washed in, and some of it seems to be a sort of peat, while a great deal of the land north of Dumbarton Cut-off was a kind of a blue clay, which did not have any sod on it. The peat land, when it gets dry, and is on the level, crumbles and breaks; the blue clay gets dry and does not break, and you cannot drive a pick into it. It would be hard to work, and I do not know that it would grow anything such as the land that is soft will. The peat land is the more fertile soil, leaving out of consideration the possibility of depositing silt upon them. I have been reclaiming this marsh land which I purchased by dredger, teams, and by hand. The salt water flows at high tide over this land, probably two feet deep, and we had to put up a levee higher than that so as to keep the water out.

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San Francisquito Creek did flow through Santa Clara County, and the people there tried for many years to get rid of it, and got a law through the legislature to open that channel. The people who had to pay toward this, objected, and kept it in court, so when I came there I told them I would take the creek and save them their trouble. I turned the creek down my land instead of having it over on their side, and it brought in a good deal of sediment on my land. The water goes in and deposits, and then flows out into the bay. We have 300 acres of marsh land, and we are reclaiming about 20 acres a year, and at that rate it will take about 15 years to reclaim all the marsh land with this sediment. If the Spring Valley Water Co. were to carry the San Francisquito Creek water over on to Tract No. 157, and assuming that there were 1,500 acres in that tract, if they made 20 acres a year, it would take them about 75 years to reclaim the tract. The cost per acre of reclaiming my land, I think, is about \$50. If you had to acquire a right of way, and carry the silt a great distance, and put up a levee, it would cost a great deal more to reclaim it; the more levee you have to put up, the more it will cost you.

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Before I lived at Ravenswood this last time, I lived in Portola, and owned about 1,300 acres of land in that vicinity, which is the land that Mr. Smith cut up and sold off for me. Before I resided at Portola, I resided at Palo Alto. Between the years 1880 and 1890 I resided at various places; Millbrae, Belmont, and the old Crystal Springs Lake. I worked at a dairy on the banks of the Crystal Springs Lake that used to belong to the Sharon people. I think the dairy was lo-

cated on Parcel 48, Map 4 of "Exhibit 8". While residing there I acquired familiarity with the Spring Valley lands southeast of what was then Crystal Springs Lake. The big concrete dam had not been built at that time.

- 3924 I have been over the Spring Valley lands of late years, and the lands along the southern part of the Crystal Springs Lake are much more windy than the Portola lands which I owned. There seems to be more wind and fog. I used to drive through the Spring Valley land to the north of the upper Crystal Springs Dam, and what was then called the Crystal Springs Valley; it was very similar to what is above the water there now; some of it was rocky; there was brush on a great deal of it; there were willows on some of it. There were a few nice little flats, but they were not very big, and there was a man named Sherwood who had a place there with a little orchard. A man named Drinkhouse had a place in the valley which was very nice.
- 3925 The valley itself was pretty narrow in most places, and ran up against these hills, which were pretty steep; one side was brushy, and the other was rocky. The slope of the hills did not differ a great deal from the slope of the hills as you now see them above the water's edge. From the upper end of the big lake to San Andres it is somewhat similar to the land that is now covered by water.

CROSS EXAMINATION BY MR. MCCUTCHEN.

- 3926 The marsh land with the sediment that is on it, and the levee that is around it, I think would be worth \$100 an acre. I think there are possibly 75 acres out of 300 that are pretty well covered with sediment now. It cost about \$4,000 to put the levee on part of it, and that kept the salt water off of about 250 acres. That was for the outside wall. I have seen some districts where lands were subject to overflow, and reclaimed by the building of levees, and if I had put a levee around there that would have kept the salt water off, the lands would have been effectually reclaimed. I think they were worth probably \$50 an acre after they were reclaimed, but with the sediment on it, they are worth at least twice as much as they are without it. I have handled that sediment loam for many years; farmed it; raised stuff on it, and dairied it.
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Questioned by Master.

The same is true of the Spring Valley lands that did have sediment on it. The Spring Valley land where the blue clay is has no sod on it, it has a long tule about two feet high, but where the peat is it has a little growth, or sod.

CROSS EXAMINATION BY MR. MCCUTCHEN.

- 3928 Where tules grow 6 or 8 feet high, they claim the land is peat and very rich, but where these small tules grow, it is of a different character. It may be the habit of the tule to die at the end of the season,

but the old growth is still there. The peat is decayed vegetation, and is the accumulation of that decayed vegetation for ages, if the tule was a heavy growth. I noticed where those small tules were that there was none of that decayed vegetation, and I made an investigation to ascertain that. I could find nothing but blue clay, which is right on top of the surface. If a slough was a quarter of a mile long, the chances are those deposits would run back from it anywhere from 50 to 100 feet. The more slough you have, the more of that blue clay you have.

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It may have been that that marsh was brought down by washing of the hills, and on the sediment the same action is going on now by the carrying down of silt by the San Francisquito Creek. These lands don't differ much from the marshes at San Mateo. The Brewer land at San Mateo is somewhat similar to this, but there is a good deal of this blue clay in there. They had a dairy on it, and farmed part of it, but it has been a failure. It lies near the Small Coyote, and there are probably 1,800 acres there that Brewer reclaimed 20 years ago. There are cattle on some of it now. It is immediately in back of the McRorie-McLaren Nursery, but does not come up to the track, as there is a small piece of land between it and this marsh land.

I saw part of it in grain about the first of June or May, two years ago, and it was producing possibly 15 sacks of barley to the acre. The crop was just about ready to turn, and almost ready to cut. I asked how it turned out, and the party who was on the ranch told me that some of it ran 10, some of it 12, and some of it 15 sacks to the acre, but that in former years they had bigger crops there, and it seemed as though the land was going back. They have been farming it off and on for 20 years; they had a dairy on it for a good many years, and then they would farm it alternately.

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Some of it was good soil, and some of it was poor, and there was a kind of a red weed which is not a regular salt grass, that grows upon it, but it did not seem to be of any value as feed, as the cattle would not use it. Some of the Spring Valley land, if reclaimed, would be good, and some of it would be poor, and there is poor land in mine, but there is less poor land in my strip than there is in any along the bay shore. I did not make any particular investigation that would enable me to say with any certainty as to what proportion of the Spring Valley land would be good and what proportion would be poor. I am just expressing an opinion of a very general nature. I do know what the cost of reclaiming the Spring Valley land would be, as I went over it with that in mind. I have had no experience with a dredger other than what I had on my own land. It worked by the hour, and was a clamshell dredge, owned by Hooper. They told me that in that character of soil a clamshell dredge worked better than a dredger of other types. I paid \$3.25 an hour for the dredge. My levee was about three feet high, and is supposed to be 20 feet at the

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3933 base, and almost the same at the top. It is necessary to have a levee of that height, that width, as I have noticed that where cracks are, if the levee was narrow, salt water would have a great deal better chance of getting in than if it was wide, and I think it is better to have it wide.

3934 They recommended a 20-foot levee 3 feet wide on Grizzly Island, along the Sacramento River. Mr. Howell superintended that. The dredge in my country some days made 200 feet, and some days not 20. Where they could only make 20 was because the soil was so hard they could not dig it, and they had to blast it, and the material that made it necessary to blast it appeared to be a sort of adobe, and the bottom of it may have been clay. This was on the land adjoining mine. They did not find any of those hard spots on my land. On my land some days they built 200 running feet, and some days 300, and I guess the average was 150 for 24 hours. 8,000 feet cost me \$4,000, and resulted in saving 250 acres. I think my land is much better than the Spring Valley land on account of not having so many sloughs in it, and any slough where a schooner or a boat could go in, they could hold as navigable.

3935 They have closed some of the small sloughs on the Sacramento and San Joaquin Rivers, and they had to open them up again. The smaller sloughs down in my country can be closed, but there are possibly three or four running through there that cannot be closed. They all leave the bay and parallel one another mostly, and after they leave this tract of the Spring Valley, one slough goes toward Mayfield, another one goes to Wilson's Landing, and another one to Corn-dorff. If all but one of these sloughs were cut off, it would not interfere with the ability to supply that country down there with freight transported on steamers, or any sort of water craft, but they tell me that the law is such that when a landing has once been put upon the map, that you cannot block that channel, no matter whether a boat can go in there or whether it cannot. That certainly influences me in stating what this property is worth, and I would deduct at least \$17 or \$18 an acre from the Spring Valley properties for that consideration. It will cost that much more to reclaim it. I figure mine cost \$17 an acre to put up the levee, and it would cost \$35 to reclaim the Spring Valley lands opposite me.

3936 Questioned by Master.

At the time I bought the marsh lands, they told me that if I did not want to take that in with the rest of the land, they would allow me \$50 an acre for it, but there was a portion of it that had sediment on it, and cattle had been on it for some time.

CROSS EXAMINATION BY MR. MCCUTCHEN.

3937 At that time no reclamation work had been done upon the land, but there had been a small levee put up there some time ago. The

Jeremiah Clark Estate was my grantor, and Captain Lyman told me that they would keep that portion of the land and make a deduction of \$50 an acre; I figured I was paying \$50 an acre for the marsh, and the balance for the upland. The way I base the value of land is what it will sell for, and it was worth what I paid for it. I have not figured the uplands per acre, but I think it was worth what I paid for it. I think it was worth \$200 an acre to dairy on. It had been used for dairying and farming purposes before I bought it.

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Witness: B. P. OLIVER for Defendant.

Oliver

DIRECT EXAMINATION BY MR. SEARLS.

I am 61 years of age, reside at Los Altos, and have been in the real estate business since January, 1877. I have been engaged in that business in San Francisco, and during that time have dealt in country lands as well as city lands in the Santa Clara, San Mateo, Marin, Contra Costa, Alameda, Napa, San Joaquin, and Modoc Counties. I was interested in San Mateo Park, in San Mateo County, with Baldwin & Howell. I own the place where I now reside in Santa Clara County. I think we bought the land in San Mateo Park 15 years ago, and I closed out my interest in them after the fire. I have been, during the last few years, actively engaged in the real estate business, and in appraising property for syndicates, and for the California Fire Insurance Co., and for myself. I was connected for 15 years with the Hibernia Savings & Loan Society in my appraisal work. I have been familiar with San Mateo County since I was a child, and I have had charge of the lands belonging to the Tobins around Menlo Park and over on the coast, the San Pedro Ranch; also I had charge for awhile of the Merced Ranch.

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The San Pedro Ranch is located on the coast, and starts about 8 or 9 miles from Colma over the hills. It adjoins the Spring Valley property, but the lands that I had charge of did not adjoin on to the Spring Valley lands. I have known the Spring Valley lands since I have had charge of the Tobin properties over on the coast. I have crossed them occasionally, probably once or twice a year while I had charge of that ranch. I knew the land where the Crystal Springs Reservoir now is before the dam was built there, but I do not recall the San Andres or the Pilarcitos.

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I recollect that when we were crossing Half Moon Bay Road, that to the right of the road there was no water there at all, and no reservoir, and there was a valley that ran up to the north between the hills, a part of which was cultivated, I think. It seemed to me as if there was considerable water in some places, and that there might have been springs there. The contour of the hills ran on just about the same gradient down at the bottom of the valley, as now

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maintained at the water level, but in some parts they went further out into the valley than where they are visible now. The bottom of the valley was perfectly flat, but in some places it was narrow, and in some places it was following the configuration as it exists at the present time. There were some spurs or inlets running out from the main valley.

3944 I have resided at Burlingame, San Mateo, Beresford, San Carlos, Redwood City, Atherton, Palo Alto, and where I am now, Los Altos. When I was stopping at Burlingame, and at San Mateo, and at Beresford, I had occasion to walk along the ridge that separates the Crystal Springs Lake from the main valley on the bay side. In going along the top of the range I could make observation of the general character of the Spring Valley lands on the east side of the lakes. The climate is pretty bad on both sides of the Buri Buri and Los Pulgas ridges going south from San Mateo down to Beresford, and from Beresford down to Belmont. I think probably the wind would blow somewhat harder over on the Spring Valley side, on account of the big expanse of water, and the width of the valley. I am not so well able to speak about the fog, because it was only on a few occasions that I was caught out in the fog there. The winds are stronger on the east side that faces the west, overlooking the Spring Valley Lakes. To the south of the concrete dam the climatic difference between the east and the west sides of Buri Buri Ridge would affect the salability of lands on the west side of that ridge, as compared with the lands on the east side, because the sweep of the wind there is much stronger than it is north of the dam across the creek.

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At the request of Mr. Steinhart, I made an appraisal of certain lands of the Spring Valley, lying on the east side of Crystal Springs Lake. In appraising those lands, I did not consider the sales of lands in the Easton Subdivisions in Hillsboro, or San Mateo Park. I excluded them because the other property is not comparable at all. I have been through the Carolan lands several times, but anything that is on the east side of the ridge I do not consider comparable with the land on the west side.

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My knowledge of the Woodside lands consists entirely of late years in driving through it, and prior to the last 4 or 5 years consists in looking into several parcels there with regard to buying them for speculative purposes. I do not think that lands on the east side of Crystal Springs Lake could be used for country estates. There is a great difference between the climate of Woodside and the Spring Valley lands on the east side of the lake. In the Woodside Valley, or Portola Valley, there are a lot of beautifully wooded knolls, and rolling sloping grounds, and on the east of that valley the hills are low, and are adaptable for people who would want to live on the heights. The east side of the Portola is well adapted for residential

purposes, while the east side of the land adjoining Crystal Springs is not. In other words, there can be no comparison in my mind between the Woodside lands and the Spring Valley lands on the east side of the Crystal Springs Lake as regards adaptibility for subdivision into estates.

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There can be no comparison made between the west side of Portola Valley and the west side of Crystal Springs.

Tract 73, Map 3; I divided the land above and below the flume into two classes, so that I could give an added value to the land lying alongside of the lake. These notes are rough, and were taken right at the moment: Wooded below flume; above flume steep, rocky and cut up by ravines until sloping plateau on top is reached. North end of tract better than south end. The value of the land adjoining the lake consists in its being wooded and sheltered, and the lake frontage. The maintenance of the present height of water, and even more, is a necessity to maintain the value of the land adjoining the lake. I have valued the land west of the flume at \$300 per acre; east of it at \$100 per acre; give this high value to east land in the chance that in selling the west land it might be possible to tie on to it some of the east land. And I have this note here: This tract 73 makes a fine impression seeing it from the road, and was much disappointed when I went around it and criss-crossed it to see how large a part of it was rough, rocky and ravine cut. I had a survey line run along the flume there, so as to give me about the correct dimensions of the land on either side; to the east of the flume there seemed to be about 176 acres, at \$100 an acre, \$17,600; to the west of the flume 100.45 acres at \$300 an acre, \$30,135. Total for the tract, 276.45 acres, or \$47,735, which would make an average of about \$173 an acre.

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Parcel 90; land above flume has intrinsically only a pasturage value; much of the same land below the flume to the west of it. In fixing value of land east of flume, to give highest value to it, will consider it possible to tie on to the land west of flume. Wooded land west of flume is in proportion less than wooded land west of flume in 73. North half of parcel partly rolling hills and gentle slope, with quite a rock outcrop as the land goes south. Eastern part, and adjoining Carolan, is similar to his land for perhaps 400 feet from fence line; likewise along Howard line, only that they have the east slope, and the bay and valley view. Rock outcrop on Carolan's less. Middle section of Parcel 90 more of a plateau, but rocky; from plateau to lake steep pitches. The southern part slopes with gradual decline to lake, except some parts where there are steep pitches. I have also a note to the same effect that I had as to Parcel 73, that you do not really know what the land is like until you work back and forth over it. The land below the flume I valued at \$200 per acre, and above to the east of the flume at \$75 per acre. 422 acres at \$75

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an acre, \$31,650. West of flume 224.94 acres at \$200 an acre, \$44,988. Total acreage 646.94, or \$76,633, which figures out \$118 an acre.

Questioned by Master.

The 646.94 acres is a portion entirely in the Crystal Springs watershed, and there are 209 acres that drain into San Mateo Creek below the dam, which I did not appraise.

DIRECT EXAMINATION BY MR. SEARLS.

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Parcel 36; about half is thickly and densely wooded, the other half open range; where open there is rock outcrop and scattered rocks; the north end is precipitous and densely wooded. On the west side gradually sloping to the lake, then steep pitch to waters edge; east side densely wooded, and the south sloping plateau on to tract 54. Whole tract might be used for a residential estate, except that the county road divides it, and makes the eastern part useless, except for grazing. Would consider \$200 an acre more than a full value for the total acreage. In placing this value, figured that the lake remains as at present. The question of potable water and sewage, if an attempt were made to subdivide this tract, would be a serious one. I tried to get around that tract, but it was impossible for me to follow the boundary lines, because I would have torn the clothes off my body in doing so. I invaded all the possible places in the brush that I could, and also crossed back and forth through all the open country. 103.14 acres at \$200, or \$20,628.

Parcel 54; similar in character and topography to 36, with water front less desirable; the wind seems to have a bigger sweep, or a greater force south of the dam than north of it. Might be used for a residential estate if it were not for the county roads. 64.32 acres at \$150, or \$9,648.

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Parcel 37; only fit for pasturage; some of it rough and fire-covered. Points running out into the lake rocky and not wooded; wooded only in ravine. Would consider \$50 a very fair value. Intrinsically for pasturage it is not worth this, but give this price on account of its proximity to San Mateo. I have not considered the water front as in any wise adding to or detracting from its value for the reason that I cannot imagine it ever being used for residential purposes, so whether the lake remains or is taken away makes no difference to my mind with regard to the value of the property. I simply valued that portion of the tract which was outside the lake. 350.43 acres at \$50 per acre, total \$17,521.50.

Parcel 48; similar in character to 37, but very much rougher with poorer range. There are high, steep hills, and two wide, long canyons. The hills and canyons are covered with chaparral and brush. The southern end, where woven wire fence marks the boundary, very rough and brushy. All the points jutting out into the lake are rocky, and I doubt if any of the land would produce anything

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

if cultivated. Driving along the auto road or highway running to Woodside, one is apt to consider this tract as having more merit than it has on account of the road when crossing the ravines running through groups of live oaks, but a walk back and forth on the spurs meeting the road will soon show its poor quality. Many acres of this tract are good for nothing, and have no real value. I do not consider the water front has added to or detracted from the value of the land. Both 37 and 48 are more exposed to unfavorable weather conditions than any of the lands to the north on the east side. It made no difference whether the lake was left there or taken away. 925.88 acres at \$40 per acre, \$37,035.20. I considered that the presence of the lake always would be necessary to maintain the values that I have put on Parcels 73, 90, 36 and 54.

The fact that the owners of those properties would have access to the lakes for boating, etc., is what gave the value to the land as of December 31, 1913. The value in my mind today is just the same as it was in 1913, and in fact, just the same as it was ten years prior to 1913. These values which I have given are not the market values of those properties as of December 31, 1913. The market value of that property is much lower, or at least at what it could be sold or disposed of for today in cash.

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I would not permit a client to buy these lands at the prices at which I have valued them, and the Spring Valley Water Co. would be foolish to give these prices for any adjoining similar acreage, as I believe in a condemnation suit they would get the land for much less. No comparison can be made between these lands and the lands on the east side of Buri Buri or Los Pulgas Ridges. To attempt to sell them in subdivisions would result in rank failure with a loss of all the money expended for improvements. This applies particularly to the land south of the dam. I have followed all the boundaries of the land where I could, and I have ascended all the hills, and have gone into the larger canyons and ravines, and criss-crossed all the open land, and if the judge should find the land to be worth the values I have given, I think the city would be getting the worst of it. I would have hesitation in making a statement on the witness stand.

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I do not know what the total amount of sales of country real estate has been which I have made. The last two tracts that I had anything to do with, involving a sale of about \$400,000 of land, was in Modoc County.

I do not think that the Spring Valley lands—22,000 acres assumed—could be disposed of for residential purposes in a century. My values are considering the property as being bought or sold separately, not as a whole. Undoubtedly the lower the price, the larger as a general rule the property. In making these valuations I

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took something a little over a month. I spent ten days on the land, and the balance of the time I figured and thought over it.

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CROSS EXAMINATION BY MR. MCCUTCHEEN.

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My employment by the City began about 30 days ago. I have no rule for determining the value of a piece of property. I would not have paid any attention to the sales of nearby property anywhere. I have not practically retired from active business. All the details of my business for the last 7 or 8 years I have practically left to the younger men of my office. I cannot tell of any sale of San Mateo property that I have made within ten years, and I could not tell you whether I have made any single sale within ten years. I did not dispose of my interest in San Mateo Park until after the fire, and part of it was in acreage. Within the last three years I have looked at probably 40 pieces of real estate scattered all along from Belmont south with a view of going into a syndicate, or taking it as an investment. They were tracts that ran up to about 600 acres, but the only one that I can think of now is the chicken ranch property, which is in Santa Clara County. I looked at the Britton property in San Carlos the other day, with a view of purchasing it. I could not say what the acreage of that is, but I thought if I could get it for about \$200 an acre, there might be something in it. After looking it over, I decided I did not want it, and I think it would be well sold if they got \$200 an acre for it. If I didn't think I could buy it for that I would not have gone to look at it. I know of sales made in the last ten years in San Mateo County from hearsay, but I did not use that hearsay in arriving at these values.

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I never lived at Easton, and could not say whether the wind blows hard there or not. When I used to go into the San Pedro Ranch from Millbrae, I encountered wind all the way from the time we left the railroad until we got to San Pedro. When we got up on the tops of the ridges, the wind always blew much harder. When it was blowing hard on top of those ridges, we encountered wind on the easterly slope of Buri Buri Ridge, but very much less than on the top.

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My judgment was my guide in arriving at the values which I placed upon these tracts. I think I have real estate instinct, and I think that is what enabled me to put the values on this property. I won't say that that told me that these lands on the easterly side of the lake were absolutely unfit for residential purposes. I valued them for pasturage purposes in the southern part, and in the northern part, north of the lake, for possibly residential purposes.

It is my experience that the wind is much more to the south of the Stone Dam than it is to the north, and that opinion is based on a varied experience. As you go south along the Crystal Springs Valley, and to the lower end of 48 and beyond, it is not my experi-

ence that the wind is very strong; the wind gets worse the closer you get to Portola Valley, and there are strong winds between the bottom of the lake and Woodside, but after you leave Woodside and go further south, you escape the winds to a very great extent. You are not in a very windy country before you get down the other side of Woodside. There is much less wind in Woodside than at the southerly end of the lake, and I do not know why. My experience in Woodside has been driving back and forth through there during a period of probably 15 years. I have encountered strong wind in Woodside, but I have encountered very strong wind around the Spring Valley Lakes, and I cannot assign any reason why the strong winds around Spring Valley Lakes should not extend down that valley, except possibly that there is a greater open expanse of country where the lakes are.

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I am protected at my place virtually from all the winds, excepting the southeast winds. My neighbors, who are less fortunately situated, do not get anything like the wind that they get further north. After you leave Parcels 36 and 54 and take the last two pieces, which are Parcels 48 and 37, you get to an entirely different topography of country; the land falls into very much heavier canyons, and rises up into quite high hills.

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I do not say that the top of Buri Buri Ridge could not be occupied for residential purposes, nor do I say that no part of that property could not be occupied. It could be, but it is very improbable that anybody would come to live there, and I consider that it would be unsalable for that purpose. The climatic conditions, and the wind would, in my judgment, keep people from wanting to live there.

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The Chateau Carolan is the most valuable improvement in that locality. It is pretty well exposed to wind, and I think there are very few men who would put a chateau up on top of that range as he has done. I do not think that the Carolan residence site has any advantage over this Spring Valley property so far as wind is concerned. I did not see a dwelling on the ridge above the Spring Valley Lakes above the San Mateo Road, and that ridge will not be exposed to wind as strong as it is on the lakes I should not imagine. I do not think that Hillsboro lands are comparable for country estates to the lands in the locality where I live, but as regards value, I think they are probably worth 15 or 20 times what my land is worth. I do not think there is any place on earth better to live than where I live. I paid \$300 an acre for my land. I think these lands which I have valued, and which adjoin a district where I say I think the lands are worth 15 or 20 times as much as the land is worth where I live, would fail to be benefitted from the high market value which those Hillsboro lands possess. I do not think that

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the influence of the high market value of these lands would reflect itself in the lands that I am valuing. I have never known any lands that are situated just as those lands are. I have known of many cases in my experience of prices being established in a locality that did not reflect their influence a long distance beyond that locality, for instance, all the subdivisions that were put up during that Ocean Shore excitement. They sold lots 25 by 100 for \$500 a lot. A quarter of a mile away you could have bought land that was better for \$100 an acre. I cannot give you the reasons for that at all. I do not look at the value that lots of land is selling at along the peninsula as established values, and I do not look at the values in Hillsboro as established values, as I think they are inflated. I believe that if any of those estates were to come on the market, they would not sell for one-half what they cost the present owners. I do not know that the property which Mr. Carolan formerly owned was sold, but I have heard that the property that Mrs. Bariohlet owned was sold to Mr. Tevis, and who later sold to Mrs. Whitman.

Experience has taught me that in the future of all that class of estates, as a general rule, after they have been held for a number of years, and put on the market to sell, they never bring one-half of what they originally cost. The last concrete case in my experience was the Cuyamos Ranch, which I bought for the State of California, for the reformatory. If you refer to Hillsboro particularly, I cannot give you a concrete example, for the reason that Hillsboro is not over ten years old. I think that it is a remarkable development to build up like that in ten years, but I do not think that development has reflected its influence over that ridge, or that it ever will. It is only my judgment that Hillsboro values are inflated, and I have not any example to give you.

When we bought into San Mateo Park, the prices of land in El Cerito were more than they were 4 or 5 years after. I have forgotten what they were asking then in El Cerito, but I investigated values there, and I know that I was astonished at the figures they were asking. I know that later on when we were selling and cutting up the land, I found that the prices had been cut, and that the property sold for very much less. I can give you no concrete examples of those, or specify any particular pieces, but I know that the land they were asking \$2,000 an acre for, they sold for \$1,000 and \$1,200. I do not know that they are selling that same land for \$5,000 an acre. I have noticed very few new houses going up in that El Cerito district from what there were ten years ago.

I know Tom Driscoll very well, but have never been to his house. I have some recollection of seeing some houses on the hill back of Uplands, but I do not know what prices were paid for those properties. However, that property is not comparable at all with the land on the other side. I absolutely believe that the improve-

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

ment would not go over that ridge under any circumstances, but the only experience that I have in mind that would enable me to make a comparison, would be what you call my dog's nose.

Questioned by the Master.

My belief is that land that goes to the west and slopes down to the lakes cannot compare with land that slopes down to the bay and gives you that large view of the Santa Clara Valley and the Bay of San Francisco. The other land does not possess the same qualifications in the matter of accessibility and neighbors. It is quite a distance away, and if it were cut up into subdivisions, I think it would be a failure, and it would be very difficult to find anybody, even like Mr. Carolan, whom I consider is an exceptional personage in putting up a house where he has, who would go over still further toward the lakes or down the lakes.

CROSS EXAMINATION BY MR. MCCUTCHEN.

Distance would be a factor. Poniatowski's house, on the easterly slope of Buri Buri Ridge, has a very superb view. It is well surrounded with trees, and differs in that respect now from what I saw a good many years ago. When it was first put there it was out in the open, and there was nothing to stop the sweep of the winds. Mr. Kohl's place has a very beautiful view, but I could not say as to whether there is much wind there. I have only been there once. I think the difference between the distance to these lands from a station, or from San Francisco, and the difference to the Hillsboro lands, would constitute a factor in the sale of the property. The wind is another factor.

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I live in Los Altos all but about 4 months of the year, and the distance is not a drawback to me personally, but as regards my family, there is a kind of a mutiny sometimes about being so far away from the city. If people did not prefer to go to these lands on the westerly slope of Buri Buri Ridge than to go to Los Altos, the latter would have been built up long ago, because it has every advantage that the other place has not. Los Altos is far ahead of this San Mateo country so far as climatic conditions are concerned. People have gone to the Hillsboro District in preference to Los Altos because of lack of water at Los Altos, and I have heard of many complaints about water conditions at Menlo also.

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I absolutely think that if the Spring Valley lands had been open for sale that people would not have bought them for residences. That would prevent me from advising any client, or from doing so myself, purchasing those lands at even half the values I have placed upon them. They are worth a little for pasturage purposes. A man would naturally pay more for land that is near a railroad, or near a city like San Mateo, than he would pay if he went 20 or 30 miles up into the mountains. If he paid \$50 an acre for Parcel 90,

3973 he would undoubtedly be taking a gamblers chance, and that applies to every acre of the property in Parcel 90. You might cull out an acre, or maybe 5 or 10 acres on isolated places around the lake there where a man might pay you \$100 an acre. It would not be worth that. I would be astonished and surprised that anybody would pay or offer to pay \$750 an acre for 32 acres in Parcel 90, and I would be more astonished that anybody would put that value upon it, particularly if he was a real estate man. I would hate to depend upon his judgment, or have him invest my money. I would be very much astonished to find 45 acres in that tract 90 worth \$327.50 an acre. (The witness here found that he was mistaken, and was referring to another parcel.) You could probably pick out half a dozen spots on Parcel 90 that you might be able to sell for anywhere from \$300 to \$500 an acre. I think that would be the limit.

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3975 Considering the distance, and that there is not the same social circle at Los Altos that there is at Hillsboro, I would consider land in certain parts of Hillsboro at \$2,000 or \$3,000 an acre more easily sold than I would in Los Altos at \$1,000 an acre. There are people in a certain strata of society who want to get in another strata, and if they have the means of locating near the fellow that they will meet occasionally, that is a big factor, and that condition, I think has been firmly fixed around Hillsboro.

3976 I did not know of any country homes in Crystal Springs Valley when I first knew it. I knew the Maynards well, and they lived down near the bay. I never knew that John C. Maynard had a place in Crystal Springs Valley. His brother, Alfred Maynard, may have had a place there, and I would not know it. Mr. Callaghan, who was president of the First National Bank, I knew very well, but he never had a place in Crystal Springs Valley. There were the Henry Callaghans who lived down near us, and the Dan Callaghans. After the father's death they bought down near Sharons, and Sharons bought them out afterwards. None of the San Francisco Callaghans lived there. I knew Robert Sherwood, but I didn't know he owned a place in Crystal Springs Valley. I only knew him when he lived down at South Park. I didn't know that the Cassidys owned property there. I didn't know that they owned any property but down at Menlo.

FIFTY-SEVENTH HEARING. NOVEMBER 10, 1915.

Witness: O. B. MARTIN, for Defendant.

DIRECT EXAMINATION BY MR. SEARLS.

I reside at 1201 Greenwich St., San Francisco, and am a director and secretary of the Madison & Burke real estate company. I have been in the real estate business 30 years, and have held the office of director in Madison & Burke since 1906. Their business is large, and is selling, leasing, renting, collecting, and insurance generally, all over the city and county of San Francisco. I am familiar in a general way with the details of all transactions that go through the office. I have bought and sold real estate in San Francisco, and am familiar with the Outside Lands. I am most familiar with the Richmond and Sunset Districts and am generally familiar with the lands to the westward of Twin Peaks. I am familiar with sales which have been made of large tracts to the west of Twin Peaks since 1908, such as the Ingleside Terrace, the Residential sale, and the subdivision of the Residential properties to St. Francis Wood, Forest Hill, and Balboa Terrace immediately adjoining. I know of the sale of the Ocean View Tract, fronting on Junipero Serra Boulevard. I know the Merced Rancho lands of the Spring Valley Water Co., and was employed in April, 1914, by the City and County of San Francisco, to make an appraisal of those lands. Since that date I have been over them some ten or twelve times, and have prepared an appraisal of those properties.

I went about the preparation of that appraisal by visiting the property on several occasions, and going all over it, and then comparing with the sales of property in the vicinity and the subdivisions, and by that comparison I arrived at these values.

I appraise property for the First National Bank of San Francisco, and the Bank of Italy, and in our own real estate business we are called upon to give different appraisals. I have appraised property for the City and County of San Francisco, in the Civic Center, and in the Polk Street Extension. I was a member of the commission that appraised for the Park Panhandle Extension. I made appraisals for the Panama-Pacific Exposition, wherever there was a contest, and there were about 20 appraisals.

(The original suggestion of an arbitrator or arbitrators in connection with the structural properties, was called off through action of the Board of Supervisors. The Master made certain other suggestions for expediting the proceedings, and offered the same for the consideration of Counsel.)

In appraising Merced Rancho, I took into consideration its location as to transportation, climatic conditions, topography, availability as to development, and compared it with adjoining residential sections

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that I knew the selling price of. I did not consider that the selling prices of adjacent lands could be used as a basis entirely without modification, as the views from some of the adjoining pieces were more sightly. I viewed the St. Francis Wood and Forest Hill, and compared those sections with the Merced properties, to decide what could be done with those properties, and fixed my prices accordingly. In appraising this property, I graded it, which I consider it necessary to do in order to appraise a tract of this size. The total of the values of the different gradations which I placed on this property was \$5,026,850, from which the Ocean Shore right of way is deducted, leaving a total of \$5,005,537.50.

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I made this appraisal as of December 31, 1913, but it is not my opinion that the tract as a whole could have been sold for cash for the sum of \$5,005,537.50. I should think at least 20% would be a fair deduction from my figures to make for a single cash transaction for the whole tract. I based the figure of 20% on the experience with the residential tract of 724 acres, sold in 1911 for \$2,000 an acre; the re-sale to St. Francis Wood and Forest Hill were at the rate of \$3,000 an acre, practically within six months of the original sale, which was an advance of \$1,000, or one-third of the amount that the re-sales were made for. I think if one-third was taken off the prices I have used as a basis, that 20% would be a fair deduction to take from this total price. The original sale and the re-sale was practically on the same basis.

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I used as a basis the prices at which the Residential Tract was resold to St. Francis Wood and to the Forest Hill in placing my values on these different grades of land. Subdivisions 1 and 2 are combined; they are at the junction of Junipero Serra Boulevard and Sloat Boulevard and extend westerly to subdivision 25. Bounded on the south by the north line of the gulch extending from the upper lake to the Junipero Serra Boulevard, and upper lake north line. They include property occupied by the Central Pumps and the nursery; it is comparatively level, and with a slope to the west. The most valuable portion could be developed into a residential district. Some gulches, but not any that would be a great detriment to the property. Value \$4,000 an acre, total \$1,249,560. I do not consider that subdivision 1 is particularly adapted to commercial purposes, as there are other places just as available, and further, there may be a commercial site started on some of the unrestricted holdings in the vicinity before this subdivision is started, and the first one would control business.

The Leopold Green property directly across Sloat Boulevard from this corner, would be just as good, if not better than subdivision 1 for commercial purposes, because the Tunnel Extension is coming closer to it. I do not think that subdivision 1 is the proper location to select for business in connection with the Merced Tract, and I do not think

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

that the owner of a tract can compel business to go to any one section when there are other unrestricted districts in the vicinity.

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In making this appraisal I assumed that the northerly portion, and that portion which contained the best scenic view of the lake, would be developed as a residential district, and the portion which lies south of a line drawn through the southerly end of the lake would work off into more of a cottage district for mechanics and people of moderate means. (Counsel for Defendant stated that the witness agrees with Mr. McDuffie in-so-far as the restricted residence district could be governed.) I think the southern end of the property should be developed without restrictions, and I believe it would be purchased in blocks by builders who would erect cottages or moderate priced houses to sell.

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Questioned by Master.

In a restricted district it is seldom that the buildings do not cost the amount of the restrictions, and in the cheaper area, which is usually being improved by two or three different builders, the competition of having to meet the same class of buyers keeps up the type of building, as the better house sells more rapidly.

DIRECT EXAMINATION BY MR. SEARLS.

The southerly portion of the Merced Ranch is too remote from direct rail transportation, water transportation, and from the populated districts of this city to be available for industrial development in the near future. My idea is that the factory is located near where the people live, so that they can save car fare and time going and coming from their work. That has a considerable influence on the availability of the labor supply.

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Questioned by Master.

The southern portion might be used for a lumber yard, but it means double transportation. I do not think the proximity of a lumber yard to a center is desirable.

DIRECT EXAMINATION BY MR. SEARLS.

There are sites on the Potrero and the South of Market Street district that are available for industrial development at prices which would be comparable with prices which I have placed on the southern end of this tract.

Subdivision 3; a gulch extending from the upper lake to the Junipero Serra Boulevard, dry and wooded, contains 52.45 acres, at \$1,500 an acre, total \$78,675.

Subdivision 4; a level piece of land extending westerly from the Junipero Serra Boulevard to the upper lake. It has a gentle slope to the west to the lake, and has a view of the lake. It is opposite the San Francisco Golf Club house, and the Ingleside Terrace, and commands about the same class of people as subdivisions 1 and 2, but is more remote from Sloat Boulevard. Value \$3,500 an acre, total

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\$431,900. In arriving at my valuations per acre, on gradations 1, 2 and 4, I considered the sales of St. Francis Wood, Forest Hill, Balboa Terrace, and the 100 acres of Charles Sutro. The following dates were taken from the Recorder's Office: St. Francis Wood, August, 1912, 176 acres at \$3,000 an acre; Forest Hill, July 1912, 82 acres at \$3,000 an acre; Balboa Terrace, 1500 acres, October 1913, \$80,000, or \$5,333 per acre; 100 acres of the Sutro property, February 1912, \$2700 an acre.

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I think the gulches, such as in subdivision 3, should blend in with the adjoining property as far as possible; perhaps in the center they could have a private park, or it could be used in connection with the property.

Subdivision 5; a gulch running from the upper lake toward Junipero Serra Boulevard, and has some water in it. Steep, and not as valuable for usage as subdivision 3. Value \$1,000 an acre, total \$14,510.

Subdivision 6; a level piece of land, fronting on the Junipero Serra Boulevard, about one-quarter opposite Ingleside, and the balance opposite the City Land Association. Practically the same class of land as subdivision 4, but lying opposite an unrestricted subdivision it is not as desirable for residential purposes. Value \$3,000 an acre, total \$898,020. In subdivisions 4 and 6 I took into consideration the sale to the Ingleside Terrace in 1910 at \$2,700 an acre.

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Subdivision 7; a continuation of the same class of property as subdivision 6; farther from the boulevard, but commands views of both lakes. Value \$2500 per acre, total \$516,200. I gave this a lower value than 6 on account of its distance from the boulevard, and because it is a little more rough in one corner.

Subdivision 8; a deep gulch extending from the lower lake to the boulevard; varies in width, and must be developed in connection with the adjoining subdivisions. Valuation \$1,000 an acre, total \$49,020.

Subdivision 9; a level piece of land extending west from Junipero Serra Boulevard, between the gulches numbered 8 and 10. It is opposite Ocean View Park, an unrestricted subdivision, and is rough in character on the westerly edge where it meets the lake. Partially in San Mateo County and partially in San Francisco County. Value \$2,000 an acre, total \$400,520.

Subdivision 10; a gulch extending from the settling pond toward the boulevard. Similar in character to subdivision 8. The county line between San Francisco and San Mateo Counties crosses this subdivision near the northern boundary. Value \$600 an acre.

Subdivision 11; a plateau between gulches and subdivisions 10 and 12. Has practically the same characteristics as subdivision 9. Value \$2,000 an acre, total \$118,800.

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Subdivision 12; a deep gulch extending from the settling pond to the Junipero Serra Boulevard, wide and deep, with steep banks,

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

and is crossed by the Ocean Shore railroad near the boulevard on a high trestle. Value \$600 an acre, total \$31,998.

Subdivision 13; is the southerly corner of the Merced Tract. Has a frontage on the Junipero Serra Boulevard, and is traversed by the Ocean Shore Railroad. Intersected with several gulches, but susceptible of subdivision. Value \$1500 an acre, total \$287,280.

Subdivision 14; settling basin and depression; is low and unattractive, the same as the gulch property in subdivisions 8 and 10. Value \$500 per acre, total \$24,000.

Subdivision 15; intersected by gulches, and is rough in character; Ocean Shore Railroad bounds it on the south. At the southeast corner there is a deep ravine crossed by the Ocean Shore Railroad. Value \$750 per acre, total \$31,027.50.

Subdivision 16; at south boundary of the tract, slopes toward the east, and is rough in character. A similar grade of property as subdivision 15. Value \$750 an acre, total \$49,590.

Subdivision 17; rough property, broken, and extends southwest-ly from the waste pond. Value \$750 an acre, total \$41,205.

Subdivision 18; bounded on the east by the waste pond, and has a slope toward the same and toward the east. Not as rough as subdivision 17. Value \$800 per acre, total \$89,216.

Subdivision 19; is the top of the ridge, and is comparatively level. Appraised the same as 15 and 16 at \$750 an acre, total \$35,827.50.

Subdivision 20; a strip directly on the ocean, very rough, inter-
sected with gullies, practically unusable. The Thornton Siding is
here. Value \$100 an acre, total \$4,233.

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Subdivision 21; on southerly side of the main lake, and slopes gently toward the same. Wooded in the northwest corner, and commands a fine view. Because of the distance from the boulevard, valued at \$1500 per acre, total \$151,185.

Subdivision 22; practically all lake frontage, and is the prettiest part of the west slope, commanding a view of the entire lake. Some gulches, but it will prove attractive for residential purposes, and on account of the long frontage on the lake, valued at \$1500 an acre, total \$172,515.

Subdivision 23; extends from the top of the ridge toward the ocean, commands an ocean frontage, and is very broken, intersected by gullies. On account of facing the ocean, and strong winds without any protection, valued at \$750 per acre, total \$94,545.

Subdivision 24; lies between the Life Saving Station and the westerly end of the upper lake. Wooded and slopes from the Life Saving Station toward the lake. Somewhat rough, but on account of the views, valued at \$2500 per acre, the same as subdivision 7 opposite. Total \$26,325.

Subdivision 25; northwesterly corner of the Merced property; bounded by the Sloat Boulevard on the north, the ocean on the west,

3999 1/2 and the Life Saving Station on the south. It is below the grade of the Sloat Boulevard, and is rough, with sand dunes covered with brush, and is low, there being water over a great portion of it at this time of the year. Would have to be drained and filled to be used for any purpose. It faces immediately on the ocean, and on account of the difficulties of reclaiming it, valued at \$2,000 an acre, total 4000 \$178,500. I do not consider this tract adapted for the purposes of a pleasure park on account of the exposure to the ocean; the winds, and the remoteness of any center of population, and the poor transportation facilities. It would have to be drained first, and then leveled off and filled in to a certain extent. Mr. Ellis told me that he estimated it would cost \$1800 per acre to drain and fill it.

(Counsel for Defendant stipulated that unless Mr. Ellis was asked about this when he was called, that the testimony may be stricken out.)

4001 I know the Chutes Park which was at some distance from the center of traffic, Fulton and 10th Avenue, was a failure. The Ewing Baseball Park, on Masonic Avenue, was abandoned on account of the climatic conditions. The fact that this tract has access to the beach would not necessarily be a great asset from the standpoint of recreation purposes, because the City owns a great extent of beach there that is always open to the public free of charge.

Questioned by Master.

I think the property should be brought up to the grade of Sloat Boulevard, and it would sell off in cheap lots for cottages.

DIRECT EXAMINATION BY MR. SEARLS.

4002 I do not think that subdivisions 23, 20 and 25 could be successfully developed as high-grade residence tracts on account of their remoteness and the climatic conditions. The development along the Great Highway from the Park to Sloat Boulevard, consists of a very moderate priced class of houses, and in some cases poor, old shacks. There is only one residence of any pretensions, and that is the remodelled Ocean House. This is due to the general undesirability of the location, climatic conditions, principally, and also the crowds that frequent the vicinity on fine days, which would be a detriment to any first-class residence neighborhood.

4003 In appraising parcels 18, 19, 20 and 23, I considered the Brickell sale of February 1913, 62.46 acres, at \$400 an acre, and the Whitcomb sale of December 1913, 63.32 acres, at \$1000 an acre, as having a bearing on that value. In arriving at my value for subdivision 25, I took into consideration the fact that the cost of filling and draining this land would be a deterrent factor in finding a purchaser. If there were considerable industrial development in the southerly portion of the Merced Tract, I think it would be a deterrent upon the salability of the adjoining northern portion for high-grade residence tracts.

I do not consider a sale, such as the St. Francis Wood purchase, carrying a mortgage of 87½ percent of the purchase price, as important as an indication of the cash value of adjacent property of similar character, as a cash transaction would be. In the particular case of the St. Francis Wood Tract, I did not depreciate the price which was paid by the large mortgage it carried, in using it as a basis for comparison. To arrive at the cash market value of this property, as of December 31, 1913, I would deduct 20% from my total of \$5,005,537.50, which would leave \$4,004,430, which I consider is the cash value as a whole to one purchaser. It would not make any difference if you were to sell the tract to 5 or 6 syndicates instead of one, if all the cash were paid over at the same time. I think a year would be a reasonable time within which to affect such a purchase for cash. I think it would be a material disadvantage to the Spring Valley Water Co. to sell off this tract in several large subdivisions, because purchasers of these various subdivisions could go ahead and improve their holdings disregarding the adjoining ones to a great extent, and they would both compete with the same class of buyers. There would be no competition of course between the good acreages and the poor acreages. I think it would be easier to sell this property as a whole, rather than to separate the good from the bad, and to sell the good to one man and the bad to another. I do not consider it practicable that the owner of the tract as a whole, if he subdivided it into large subdivisions, could make restrictions which would prevent one subdivision from operating to the disadvantage of another. In selling the tract, I think the owner of the whole would be obliged to leave the various purchasers to their own discretion, and without restriction. If they were not left to their own discretion, and restrictions placed in the deeds, it would not be as salable.

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I think it would take a syndicate 10 years to sell it off in large subdivisions, and I have in mind the Residential property, of 724 acres, which was made in 1911, 42% of which is still unsold. They sold off first the part which was most salable for subdivision and resale.

In my appraisal I treated the lakes as a scenic proposition. My values of the property that had a lake view are gauged by that scenic value that I think attaches to the lake. I did not consider that the owners of the land bordering on the lakes would have access thereto for rowing, as I do not think that is an element of value that amounts to anything, on account of the restricted area of the lakes, and as soon as the novelty had worn off, people would not care to go there and row, etc. I also believe that the climatic conditions are such that it is not inviting for boating and outdoor exercises during the greater portion of the year. In absorbing the scenic view of the lakes into my appraisal of the adjoining lands, I have absorbed all the value there is in those lakes from a real estate point of view. I

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4008 know nothing about the possible value that the lakes might have for water supply purposes, and I did not consider that at all. It would not be feasible to sell these lakes for the purposes of developing a boating and bathing concession, because they are too remote from the center of population, and the area is too small for a very popular resort. It would detract from the property immediately adjoining there if the public had access to it at all times. The climatic conditions would militate against them, the same as against subdivision 25.

Referring to the strip east of Junipero Serra Boulevard, I appraised the 6 acres at \$2500 an acre, which extends from the Ingleside Terrace to the end of the Spring Valley property. I do not know to what use that might be adapted, and it was rather an arbitrary value that I placed on it. I tried to average the values of the different tracts through which the Ocean Shore right of way passed, taking the acreage as 17.05, and I placed a value of \$1,250 an acre, totaling \$21,312.50; that I have deducted from my total.

Table received and marked "Defendant's Exhibit 87".

CROSS EXAMINATION BY MR. MCCUTCHEN.

4009 I have never disposed of property on an acreage basis. I have had experience with the Treadwell Tract, bounded by Masonic Avenue, Stanyan, Hayes and Fulton; with the subdivision of Outside Land Block, on the west side of Ninth Avenue, between Cabrillo and Fulton; and land that I am a part owner in with the Burke Estate, at 18th, 19th and 20th Avenues, K, L and M. We have several subdivisions there that we tried to market. There were a number of blocks in the Treadwell property. We subdivided it into large subdivisions, and have since handled one-quarter of it. That was divided into city blocks, and unrestricted. The property on 18th, 19th and 20th Avenues consisted of about 100 lots. We have sold quite a number, and there are 60 left. We own portions of three blocks, and the Sterling Realty Co. owns most of the rest of it. 19th Avenue is nearly a mile from the ocean shore.

4010 The development of what used to be called Bakers Beach is now known as Sea Cliff, and is a popular locality where high prices prevail. The climatic conditions, I think, are more mild than they are directly on the ocean. The climate is not as mild as further in, but it is milder than directly on the ocean. The climatic conditions on the Presidio, where the old quarters of the officers are, are good, but up where the golf links are I think they are pretty rough. The conditions climatically are much milder than directly on the ocean front along Jackson Street, and the extension of that street out to First Avenue, adjoining the Presidio. The same sort of climate prevails in that locality as generally prevails all over the peninsula. The climate
4011 between First Avenue and Presidio Avenue, and from Clay Street north, is comparatively the same as at Sea Cliff, and whenever there is

a fog on the peninsula, you are very apt to find it within those boundaries. It is reputed to be as foggy a district as can be found anywhere in the city, but high prices prevail there on account of the neighborhood and the character of the people. The neighborhood began to form about 25 years ago, when the Butler Subdivision was sold off, and then it commenced to develop. The views across the Presidio toward the bay brought a good class of buyers, and on account of the people who settled there, and the high class of residences, that reflected into the adjoining property, and made it the neighborhood that it is today. The marine view started the neighborhood. Those people had to go somewhere, and that was the most available. That is one of the main reasons that broke up the Mission. In order to get out there people underwent a great deal of inconvenience when that section began to build up. It has become the most desirable residence section in San Francisco so far as real estate values are concerned, and that development extended out Lake Street, until it reached the ocean, but not through the other portions of Richmond. The restriction in the Presidio Heights was the high price that the property might be acquired for, and it kept out the poorer people, who went out to the section between Lake Street and Point Lobos Avenue, and from First Avenue west.

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The property from 22nd Avenue along Lake Street west, running down toward Sea Cliff is restricted. The Balboa Terrace is restricted. Jordan Park is restricted. Restrictions in a residence district invariably add materially to the property. I have had nothing to do with property that was in a restricted district except seeing re-sales of the property, such as in the Jordan Park, where we have sold a number of residences. I think the winds directly from the ocean are worse than the climatic conditions on the Presidio. I own some property on Lake Street, and I know it is very foggy and windy there at times. The locations where you are free from strong winds and heavy fogs in San Francisco are very few.

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In arriving at my value of \$4,000 an acre on subdivisions 1 and 2, the basis I considered was the Sutro price of \$2700 per acre for the 100 acres, and the St. Francis Wood price of \$3,000, and I said \$4,000 an acre for this on account of the way the land lays, and its level condition, and the many pretty points there are from a view point. I think it was worth 33 1-3 percent more than the St. Francis Wood property as of the date on which I placed the valuation on this property.

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I have heard of the transaction by which Mr. Titus disposed of his interest in the St. Francis Wood property, but as it was only an undivided interest between partners in a tract, I did not pay any attention to it. An undivided interest in a piece of property usually would sell for less than the value of the property as a whole, but where it is a stock company, if one man did not agree with the others,

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the cheapest way to get rid of him is to buy him out, and I should not think that the price paid would control until you knew all the circumstances. The offer of \$4,000 is not the price that I ought to adopt, as offers are made every day, and unless backed up with a coin deposit, and an agreement entered into, I would not pay any attention to them. I would not pay any attention to an offer reported to me, unless I knew it was in condition where they would really put up the money to back the offer. Assuming that that transaction was of a nature that induced the conclusion that men who were familiar with the value of that property had paid for an interest in it at the rate of \$4,000 an acre, I would not take that as a guide in determining the value of any part of this Lake Merced property.

Up to the time of the sale of the Ingleside Tract, the portion of San Francisco west of Twin Peaks had been entirely inactive. The construction of the Twin Peaks Tunnel, and the development of Forest Hill, Ingleside, and other adjoining tracts, tending to make a good neighborhood in that district, might have had a bearing upon the value of the Merced Tract. I valued the portion of the Merced Tract that fronts on Sloat Boulevard at 33 1-3 percent more than the St. Francis Wood price, because of the greater availability of that portion of Merced Tract for improvement. I also took into consideration the development of the different residential sections in the neighborhood. The Merced property is worth more than the St. Francis Wood property on account of its topographical condition, and I put it at \$4000 as against their \$3000. I think the property was worth more in December 1913 than it was in April 1912, and the basis I used was that everything that tends to build up that neighborhood makes it more available, and there had been sales of property taking place during 1912, and the St. Francis Wood people showed in 1913 what they intended to do. The figure 33 1-3% is a result of my experience in the business, and I placed the value at \$4,000 because I think it is worth \$4,000, based upon the reasons that I have given. In determining that it was worth \$4,000 an acre, I roughly estimated that at six to one it would have to bring \$24,000 an acre, and with 10 lots to the acre, that would be \$2400 a lot, which would be about \$100 a front foot in a restricted district, together with the frontages on two boulevards. I think if this property was property handled, it might sell in small tracts at the rate of \$24,000 an acre.

The sales from the Residential Development Co. to the St. Francis Wood, and Forest Hill and others, indicated that the property was going to be broken up and developed, and that fact of itself added immense value to the surrounding property immediately. Prior to breaking up this tract, there was practically no selling value to it at all, and it went into a value of \$3,000 an acre after it was broken up, which is not a large increase. The property in the hands of the St. Francis Wood people was not worth any more than they paid for

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

it, until they developed it; there was no immediate enhancement in value. When they began to develop the property so as to put it on the market, it might have increased 10% over the \$3,000 they paid for it, by the end of the year, but that property is not going to increase in value, because the supply is unlimited. That is, there is a great supply of such a class of property that could be marketed. There is the Sutro property, the Spring Valley property, and the Ingleside Terrace. In 1910, \$2700 an acre was paid for the Ingleside Terrace property, and they are getting about \$50 or \$60 a front foot there now. St. Francis Wood has better scenic qualities than Ingleside Terrace, and does not run up against an unrestricted district.

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Questioned by Master.

Referring to Tract 1; I think if people go out that far, they do not care about apartment houses.

CROSS-EXAMINATION BY MR. MCCUTCHEN.

It will take about half an hour to reach this property when a railroad is constructed through the Twin Peaks Tunnel. It takes easily 40 minutes to reach Sea Cliff now by street car, so that a man living in this locality would be able to reach it through the tunnel as quickly as one living at Sea Cliff. The automobile would very likely take longer to here than to Sea Cliff, but I do not think there is much difference of time as to the automobile.

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Tract 25 would not be available for a resort on account of climatic conditions, topography of country on 25, and the remoteness from the center of population. It would not all have to be graded, but I think it would have to be drained and the water taken care of, and then, perhaps, some of the hillocks to the south and west could be worked into the resort. I think that our climate here on the Coast is more severe in the summer when the high winds prevail than it is in some parts of the winter, and that condition prevails all over the peninsula at that time of the year. The winds are probably a little stronger on the coast, but of course, people must have places where they can have pleasures, notwithstanding climatic conditions. In San Francisco the people have the ocean beach on the west end of the park, and they don't frequent that except on some exceptionally fine days. I don't think that a place like this would appeal to the sports. I have in mind the ball park on Masonic Avenue, where, on account of the climate, they could not sit and see the ball game with any comfort. I do not think that property on the ocean under any circumstances could be availed of for a pleasure resort, because such a resort needs patronage all of the year round, and a great deal of the year the climatic conditions would be such that it would not be very popular. The majority of people only go to the beach on a fine day. When they want an outing, they go to the center of Golden Gate Park, where it is more protected, or across the bay.

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I have never found a very large number of people along the boulevard on a windy summer day; only on fine days. It is not free from wind in Golden Gate Park, but it is more protected at the Band Stand and the center.

4027 I think the cost of preparing the Sloat Boulevard property would be much less than it has been in St. Francis Wood. The method of developing St. Francis Wood is the sort of development that I think should be continued down through that section of the city's holdings. I do not think for comparison that it is necessary for me to know about the cost of development in the St. Francis Wood property, and the Spring Valley property, because there are views from St. Francis Wood that would warrant a greater cost of development. I do not think that there would be very much difference in cost, although I do not know what the cost per acre of development was there, and I have no idea of what the cost of development per acre would be in the strip and along the Sloat Boulevard that I valued at \$4,000 an acre. My experience has not been of a kind to enable me to even form an impression about what the cost of development would be. The cost of development might increase the retail prices; they would add that to it, but I think that the development of that class of property runs pretty nearly the same. I appreciate that the topography of St. Francis Wood differs from this strip along the Sloat Boulevard, but I do not think that the 60 acres that have already been developed and put on the market in St. Francis Wood, would cost for development much more than this tract along Sloat Boulevard. If I contemplated the purchase of a property of the same kind as the St. Francis Wood, I would want to know very much more about the cost of development than I know now.

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(It was found that the tabulation of the witness showed a double deduction for the Ocean Shore right of way, and it was agreed that the total valuation should read \$5,026,850, and the 20% off for cash market value should leave \$4,021,480. This correction was noted in the tabulation).

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4030 I did not attach a great deal of influence to the sale of the Balboa Terrace property in arriving at my figure of \$4,000 an acre on the frontage on Sloat Boulevard, because the German Bank could not afford to let the German Benevolent Society remain in that position and have an opportunity to cut that piece up into small lots, and I consider that the German Benevolent Society got more really than the property was worth at the time. I think that one set of sales is the only thing that can be used as a basis to determine the value of this property, and if the highest use that the property can be put to is to continue that same residential line of development in there. I think these sales were a demonstration to the realty buying public that activity had begun in that locality.

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

I am not familiar with Parkside, but I think it is a poorer grade than these other properties, because it is not, except in a very small portion, restricted, and it is surrounded altogether by unrestricted property. Parkside has always had a poor name, and does not attract as high-grade a class of buyers as this other would attract. 4031

If this tract could not be developed to the greatest advantage and restrictions imposed, I would not put it much higher than the other restricted divisions around it. Ocean View Park sold, in 1907, for \$1,300 an acre, across the road. I think it would have remained the same in 1913, regardless of the improvements and developments, on account of Mr. Grande and the City Land Association adjoining. The property opposite did not treble between 1907 and 1913. The small shacks reflect very much into the adjoining property, and I therefore put that property at \$2,000 opposite Ocean View in one section, and \$3,000 in the other. I thought this property could be protected against the other to an extent, and that is why I gave 50% more than the Ocean View property, which sold for \$1,300 in 1907. I used the Ocean View property to a certain extent for comparison. In arriving at my figures of \$2,000 and \$3,000 respectively, I took into consideration the fact that it was held as a whole, and in the interior of that tract you could keep out that element, and have it built up in a practically low-priced restricted district. I do not think that it is necessary, in order to determine what could be done with property under those circumstances, that a man should have had some actual experience in such subdivisions, as I think that hearing them discussed continually, as we always do, then taking these sales and the development, by comparison we can reach pretty nearly what it ought to be. The tract opposite Ocean View Park would follow the development that took place through the Mission, with these cottages and restrictions say from \$2,000 to \$2,500. I think about the same class of population, mechanics and people of medium means, would want to go in there, and they could not go over a house and lot of about \$5,000. 4032 4033 4034

This property could be laid out so as to make it more attractive than straight streets, such as in the Mission, which would make it more salable. My office has never had to deal with one separate development of that kind, but it has on the re-sale end of it. We had a great deal to do with Jordan Tract, which was practically the first restricted district, and I have found that to be a great advantage.

I do not know what the development cost per acre would be on the property opposite Ocean View Park. It lays comparatively level, and I think the rule that a buyer should have 6 to 1, would bring it out; that would be to sell it off at retail, 10 lots an acre would bring it to about \$18,000, and I had that in mind when I went over it. I have understood that rule to be one of general application, but only from hearsay. 4035

I have not had any experience that would enable me to express a positive opinion as to the character of development which should be employed with reference to any one of these sections. A man who has been selling lots in a locality might be able to express an absolutely reliable opinion as to what other lots in that locality were worth, but they all make mistakes, and I do not think they are any better enabled to do it than we, who go in and go over the lines and grade it.

4036 I have kept informed with reference to sale values in the Sunset and Richmond Districts, and I could express an opinion with reference to the value of any piece of property in those districts, and I think it would qualify a man to express an opinion about the value of this Merced property. He could judge what could be done with it, whether better or worse than property he had been handling and dealing in. By studying their topographies and view-points, and seeing what could be done with the property, and how it could best be cut up, he would be enabled to express a somewhat accurate
4037 opinion as to their value. His object in studying their topography would be to see what he could do with it, and to compare it with the other properties that he was familiar with that were shaped up. Referring to the Richmond or Sunset District, I determined what kind of property it would be, who would seek it after it was in shape, how it would lay, and what class of buyers might want it.

The lower part of the tract that I have valued here would work off into property for a man of moderate means, who would want something for about \$5,000. I assumed about the same class of buyers would seek that property as seek Richmond and Sunset properties, and that it would sell in 25 or 30 foot lots, at about \$1,200 a lot. I would not add anything to that for the fact that it was a restricted district, but I think it would make it more salable than the
4038 other districts that were not restricted. I think Parkside runs from \$50 to \$60 a front foot in the restricted portions. The restrictions there are in some of the center blocks, the cost of improvements, the distance back from the sidewalk, and keeping out undesirable people and business. I do not think it is restricted as to putting up flats and renting them.

If I was looking at this property as a subdivision, I should want to satisfy myself about what could be done with it if it were to be developed, but as I understood this was to go as a whole, I merely graded it as to topography. I was told to put a value on it as a whole, and not in tracts, except for the purpose of reaching that total figure. If you are going into the retail part, you would have to give us the cost of grading, street work, and all that. If
4039 it was a selling proposition, I would not subdivide the lands in the way in which the parcels are now subdivided, because I think the depressions should be blended in with the high land, and taken to-

gether. As a wholesale proposition, I do not think you need to determine so minutely what you can afford to pay for the property and what could be done with it, as you would if you were going to buy a separate subdivision out of it, because in the latter instance you are buying closer. If I were buying a subdivision, I would want more information than I have on the subject now.

If I were buying 300 acres of this land, I should want to go into it more deeply before I made a bid on it as to the cost of development per acre, but in these appraisements, where it is done comparatively, that rule of 6 to 1 applies without going into further detail. I do not know where that rule of 6 to 1 originated, but I have always heard that a man buying real estate at wholesale expected to sell it for 6 times as much at retail to pay for the cost of development, interest on holding it, commissions and all expenses. The length of time you can't figure. Most of these subdivisions that I have ever heard of have been figured, whether it was six to one or otherwise, I know they were not enthusiastic over the practice. That is the only rule I know of to go by, but I have never worked it out to know whether it is reliable or accurate. For determining the value of the property opposite Ocean View Park, I simply had that sale and the way it compared with the property lying to the west, which I had valued first, and comparing the two at a comparative distance from the Sloat Boulevard. In all of these subdivisions I figured it roughly in my mind what I could get per front foot for lots, and where it was \$2,000 an acre I figured that it would amount to about \$12,000 per acre. I assumed about \$1,000 a lot, 12 to the acre, which would be about \$12,000 an acre. Then I figured that the rule is 6 to 1, which necessitated dividing by 6 to ascertain what could be paid for it at wholesale, and I also thought as well of the comparative prices. The rule has been used right along, but I do not know how much is allowed for interest on the investment, or what percentage of it is allowed for development.

Parkside, which sells for \$50 or \$60 a front foot, is further in, more developed, has a car line running through it, a water supply, and better surroundings than Ocean View, and that is why I assume that this property opposite Ocean View Park would only sell for \$40 a front foot. Facilities of that kind might be provided as soon as this property was for sale, but they are already in Parkside, and that is the way I put it, and I therefore think that this ought to be about \$1,000 a lot. There is a railroad in Parkside, and the only road to this property runs along Junipero Serra Boulevard, which makes a difference of 25% in the price of the property.

I think \$500 an acre for the Brickell property, surrounded as it was by foreign ownership, was a good price. I think it would have been worth twice as much if it had not been surrounded by outside holdings, and if there had not been so much beach. The Whit-

comb property slopes to the east, and is more level land, and runs down into the corner near the lake where some of the Merced property lies, and that piece is \$1,000 an acre; it was altogether a different grade of property. It would have been worth \$1,500 an acre if it had not been surrounded by outside holdings.

4045 In arriving at my value of \$3,500 on Parcel 4, I had in mind the Ingleside Terraces sale, because it lay opposite that, and it slopes west gradually, and is comparatively level, and could be made into a very attractive subdivision. Ingleside Terraces sold in 1910 for \$2,700. I do not think it would be as expensive to develop Parcel 4 as it was to develop the Ingleside Terrace property. There was more work necessary in developing Ingleside Terraces than there would be on this parcel. I saw the level tract of land, and being opposite the Ingleside Terraces, I put the price of \$3,500 on it. I think it would actually cost less to develop Parcel 4 than it did to develop Ingleside Terraces, but I have no information that would enable me to tell whether it would be \$750 less. Assuming the cost of Ingleside Terraces to have been \$2,700, I have allowed a difference of only \$800, but I have also had in mind that Ingleside Terrace was so well developed that it reflected into the value of this across the way, that it could be naturally made to follow over there with the same line of improvement. I think the cost of development would be about the same, and if Ingleside Terrace sold for \$2,700, and this 4046 sells for \$3,500, this is \$800 better because of the influence that the development of Ingleside Terrace has had upon this property. I do not know anything about the cost of development, but I think the two properties are apparently the same, being of the same class of grading, and the same slope. The gully on the Ingleside Terraces' property is over toward the southeasterly end of it; they worked the hill into the terrace, and they have not graded very much, except the old track. The gully they worked in, in Ingleside Terrace; it 4047 would not cost more to develop one any more than the other as a whole.

I took the selling price of Ingleside Terrace because it was the nearest transaction to this, and reflected into it, and as improvements had been made upon Ingleside Terraces between the date of the sale of Ingleside Terrace, and the date as of which I am valuing this property, I thought that to a certain extent that improvement had reflected its influence on to this portion of the Spring Valley property, and some portion of the difference in value per acre that 4048 I put on it was for that, and on account of the way the land sloped, and laid. I do not know how much I added to it because of the way it sloped and laid. I thought it ought to be worth about \$800 more than the other side, because as I came down the boulevard the \$4,000 was the very highest value I could see there, and the next \$3,500, and as the same class of improvements continued, I gave this \$3,500.

In arriving at my figure of \$4,000 an acre on the Sloat Boulevard frontage, the sales made by the Residential Development Co. was one of the elements that entered into it comparatively. I also took into consideration the \$2,700 of the Sutro's, which is opposite the Junipero Serra end of that property. It figured out that it was about fair to this property to add 33 1/3% to the price realized by the Residential Development Co. The \$4,000 figure was the starting point in my valuations of these various parcels. I did not figure Ingleside in there, except in a general way that it tended to the enhancement of the whole country. It did not have any particular influence on this particular property on Sloat Boulevard. When I wanted to get the valuation of Parcel 4, I went across the Junipero Serra Boulevard to the Ingleside Terraces, and considered that as another element in comparison with the \$4,000 on this, which I considered a better piece. I was influenced to some extent in fixing my valuation of \$3,500 an acre upon Parcel 4 by the fact that I had put \$4,000 on the other. I could not tell you how much, because it is further removed from the Sloat Boulevard, but if Ingleside was \$2,700, and one-third of that was \$900, it would bring this to \$3,600, so it doesn't throw it very far out. I think every one of my values is more or less comparative with the other, and I have graded down from the \$4,000.

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If Ingleside Terrace sold for \$2,700, by applying the rule of one-third, I would arrive at \$3,600 as the value of Parcel 4 per acre. That was a part of the way I arrived at it, and the other was by comparing it with the \$4,000 I put there. To get my \$4,000, I took a sale that had taken place in 1911, a year after Ingleside Terraces, and to get at my starting point for Parcel 4, I took the Ingleside Terraces' transaction which had taken place in November, 1910. I cannot tell you how much I would have added to this property for the development of Ingleside Terraces. I tried to grade them, and to give a value on the whole proposition, starting in with this \$4,000 as the most expensive property, and grading them down from that.

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The correctness of my figures on the parcels following 1 and 2 is dependent upon the correctness of my figures on 1 and 2; then as I went over into this Whitcomb & Brickell piece, I tried to get a price that compared with the topography and accessibility of the property. If I am too low on Parcels 1 and 2, I am not necessarily too low on all the other parcels, as I think this sale of \$2,700 would bear me out in this \$3,500; here is a sale of \$1,300, and opposite I put it at \$2,000; that also had as much influence as the comparative value.

I think Parcel 4 should be \$3,500, or a little less than the \$4,000 piece, on account of not having the frontage on Sloat Boulevard, but it is comparatively the same property.

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If I had drawn a line across Parcel 2, halfway down from Junipero Serra Boulevard, I think I would have left this portion at

\$4,000, and the other at \$3,500. In other words, the land to the west of a line drawn northerly and southerly through the parcel I would have made \$3,500 an acre, but this happened to be a peculiarly beautiful spot where the nursery is, and that overcame its remoteness from the center. I did not think that any of this property was worth more than \$4,000. I took that as my maximum. Drawing the line north and south as you suggested, I might have made a portion of that west of the line worth less than \$4,000, but when I went over it again and saw how this property laid in the nursery looking into the lakes, I thought the whole tract, if taken as a whole, could be brought up to that \$4,000 proposition, and let it stay that way. Parcel 4 is about four blocks from Sloat Boulevard, and that end of the section is attractive property. Even if this property can be developed for \$1,500 an acre less than the cost of development of the Ingleside property, I would still use Ingleside Terraces as a basis to arrive at \$3,500 as the value of this property when I graded it this way as a whole. There is no other way to arrive at a total when grading it in that manner, unless you wanted to go into the details of street work and grading, and I would not, furthermore, look at it with that object in view without changing all these costs; it was simply grading it that I took it that way. When I started with Ingleside Terraces, I did so because I considered that this property could be made into about the same kind of property, and equally attractive, and I assumed at less expense. I do not think Ingleside Terrace has any advantage whatever over Parcel 4. Parcel 4 to be disposed of as of the 31st of December, 1913, had the advantage over Ingleside Terraces of about two years improvements in the Ingleside Terraces, which had reflected themselves over Parcel 4.

If Ingleside Terraces sold as unimproved land for \$2,700, and there was money spent upon it for development, and as there would be upon this land were it to be marketed, and the difference between these two sums for development were \$1,500 an acre, I do not think that to get the value of this property as of December 31, 1913, that I should add the difference in the cost of development of the two properties to it, even though I started with the selling price of Ingleside Terraces as my basis. This piece would grade in as a whole into the whole total the same as this, and it is a large subdivision; Ingleside had better transportation facilities and streets; it fronted more on the boulevard, and I think allowing \$800 is plenty. There is a good deal of Ingleside Terraces unimproved yet. I would not give very much for it up toward the City Land Association, which adjoins the Ingleside Terraces on the south and east.

My guide for determining the value of Tract 6 was merely that it was a little further away than Tract 4, and part of it was opposite Ocean View Park, and it was intersected with the gulch that came

in there, so I gave it a smaller value per acre. I cannot tell you how much of that difference I attributed to the greater distance. Parcel 7 was cut off from the boulevard altogether, and was intersected with a portion of that gulch, and being further away, and rougher land, I put it in at \$2,500. It is rough land on the edges only, being both the north and south arms of the lakes. I do not think it takes much available land, if any away, because it would reflect into those lots you would cut along the shore. I reduced the price of that more on account of its being away from the boulevard. I reduced it for that reason \$500.

Parcel 9 lies altogether opposite Ocean View Park, and there is a gully running in it. Between the other two gullies, I think comparatively it ought to be a little less, and so I put it at \$2,000. I took into consideration with the whole tract that it could be put under restrictions, but I consider that the property across the way, where there is an absence of restrictions, will reflect in this particular portion, and that is why I only put \$700 an acre more on this. In arriving at that price of \$2,000, I also had the comparison with other figures besides the \$1,300 sale, which took place in 1907. I know of a sale of 10 acres at the northerly end of Union Park, at \$2,500 an acre, to A. W. Scott, in 1914.

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As to Unit 24, I had in mind Subdivision No. 7 in arriving at my figures; also it is one of the best view points on the whole tract, a very pretty piece of land. It is a desirable part of the tract, but is rather remote from both boulevards. I think it could be developed into a higher grade property, and command better people than Parcel 9, but I put \$2,500 on that because it has quite a steep grade. My guide for getting at that figure was because I think it was about as remote as the lower end of No. 7, and if 7 was worth \$2,500, I put \$2,500 on this, even though it lay a little more roughly. These valuations are all done by comparison. The selling prices of adjoining lands could not be used without modification on account of the topography and the view points, the transportation facilities, and the surroundings of the different pieces.

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I would not pay any attention to offers of sale in localities where sales have not actually taken place. I would to an asking price, but I would not to a purported offer. We figure that a man will always drop from their asking price, but from an offer they drop out altogether. I have never known of a place where there were no active sales, that you could not get hold of at some time or other to work from. Tract 1 is not available for apartment houses because of the distance from the business center. There are so many more competing with it further in that people would not go out there. There are a few apartments along Lake Street that are quite a distance out, but those are the only ones, and I do not think they are holding up from all accounts. Apartments out beyond Gough Street in the

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4061 Western Addition, do not bring higher prices than apartments down town. Those down town are not as large, and they are not for the same class of people, as a rule, as those beyond Gough Street. The Wilson Apartments bring higher prices than apartments down town, but they are the only ones I know of. I have handled the Bella Vista from the time it opened, and for 6-room apartments we are getting from \$75 to \$80 a month, that is about \$16 a room. We figure them about \$15 a room on an average. I do not think they are doing any better on Pacific Avenue than that.

4062 Properties available for industrial purposes south of Market Street I think you could get over on the Potrero, toward where the old rope works was. I have not had the acreage price of that property; the blocks are about 200 by 400, and it will run about \$30 a front foot with the street work and all done. That is near the main line of the railway. All that property south of Market Street is so depreciated now that they could get it pretty cheap for manufacturers. They are developing and building up now the westerly end of the Potrero which is on the main line of the Southern Pacific. I am pretty sure you can buy property there for \$30 per front foot, which amounts to about \$7,500 an acre. You can get it much less than that. I do not say that you could buy property south of Market Street available for industrial purposes at the same price that I have placed on the San Mateo portion of this property, but they are more available sites, and they could be used.

4063 I have seen the gulches work in with the rest of the property in the Piedmont Tract, across the bay. The lots run down into them. Also in Berkeley in those districts they run into the gulches and control them. It is the only way that I can see that you could give this a value, and I have heard them discussed a great many times, and I think that is the more available way of handling this, rather than keeping it as a gulch.

4064 A part of the Ingleside Terraces lies opposite Parcel 6, but not much of it; the bulk of Parcel 6 lies opposite the City Land Association, and goes over to Ocean View Park. I depreciated Parcel 6 partially on that account. The question of development along the Great Highway is very poor; I think it is the class of people that went there; the climatic condition, and on account of the ocean beach being used as a pleasure ground by the entire public. The first settlement out there was known as Carville. One of the reasons might have been that the people went out there because they wanted to get the sort of climate that is at the beach; I think it was on account of its being cheap, and that the cars could be gotten for little or nothing and used for a home. Some of those cars are out there yet. There might have been some better class of improvements there today if that land could have been owned by one owner, and he could have restricted it. I do not think there would have been

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

any high-class, because further south along the beach there were none of those cars or poor shanties. The roadhouses have deterred some good improvements out there almost more than anything else. If the roadhouses had not been there, the improvements would have run, I think, house and lot \$5,000 or \$6,000. I think that the roadhouses have been a blight upon that locality. I think the fact that the Spring Valley properties were restricted will keep them in the background, and the roadhouses and so on would not reflect itself over the Spring Valley properties. I don't think that influence has a very strong bearing in determining the value of the Spring Valley properties.

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When I stated that it would be more advantageous to dispose of this property as a whole, the good with the bad, I had in mind as the bad property that lying to the southerly end of the tract, and the ocean side of it. I think if it were sold in subdivisions, you might control the sale of liquor over the entire tract, and you could also make restrictions of the other objectionable business, but I think each man controlling a subdivision ought to have the advantage of trying to develop a particular corner of his own for the benefit of the particular locality.

The 42% of the Residential Development Co.'s property still in its hands may increase in value, but it is just as apt to go down as to go up. If the subdivisions of the tracts it has already sold ultimately work out as a success, it may create a greater demand for the other, but it is too problematical, and there is some doubt whether it will be a success. It will be sold, but whether it will continue to sell for the prices they are getting, and continue building the same class of improvements is another thing. I think it is a matter of grave doubt whether these adjoining tracts are all a success or not, or whether the houses they erect on these tracts will be occupied with the class of people they are trying to get out there. The location is one of the things that leads me to doubt that, and the climate, and furthermore they have to try out the tunnel. I took it for granted that the tunnel would be a success when I put these prices on this property. I am not prejudiced against the locality, but I do not see where the view sights come in that it advertises when we go through St. Francis Wood and Forest Hill. I think the houses check each other. I am rather doubtful whether they will manage to pull it all through with as big a profit as they expect. I took it for granted, in figuring this up, that these were the prices they paid, and they knew what they were doing, and I put my own prejudice aside. I have no interest out there. I did not start with a prejudice. I felt better about it before I started than after I looked into it, because I thought that the houses would all command a better view than they do, and I am referring now more particularly to the St. Francis Wood. I did imbibe a prejudice against some of those locations in St. Francis

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Wood. I am not very enthusiastic about the profits that the people who own property in that neighborhood might ultimately make. I am not very enthusiastic about subdivisions in that locality. That is about the only locality you could go to in the county to engage in the business of buying acreage property and subdividing it, and that being the only one, I would keep out of that business.

FIFTY-EIGHTH HEARING. NOVEMBER 11, 1915.

Paschel Witness: PHILIP P. PASCHEL, for Defendant.

4069 DIRECT EXAMINATION BY MR. SEARLS.

I reside at the Bellevue Hotel, San Francisco, and am a real estate broker, and have been since January 1905. I went through the Notre Dame University of South Bend, Indiana. I have operated principally in San Francisco. I became associated with Speck & Co. in 1905, and in 1906 was made Vice President of that corporation. In 1908 the corporation was changed to Speck, Paschel & Co. In 1910 we affiliated with Baldwin & Howell, and I have been with them ever since. Speck & Co. and Speck, Paschel & Co. did a general real estate business. Baldwin & Howell are doing a more extensive business; they branch out into the country department, and into subdivision work. I have handled personally, in exchanges and sales, about one million dollars a year. I was one of the appraisors in the condemnation suits on the Civic Center property, and on about 40 suits in the Twin Peaks Tunnel matter. I appraised the Lincoln Boulevard. I am one of three appraisors with Mr. Baldwin and Mr. Magee in the Islais Creek million dollar condemnation suit involving 63 blocks of water front. I am one of the appraisors for the City in the Pacific Gas rate case. My work personally is very nearly all downtown propositions, but being connected with Baldwin & Howell, I have a great deal of information regarding all different parts of the city. I am familiar with the subdivisions which they have bought and sold, and the character of development which was undertaken in these subdivisions. They have a great many subdivisions. Lots of them in the peninsula district; also in Stockton. I am familiar with the line of development in the real estate business now being undertaken to the west of Twin Peaks. I have followed it pretty carefully, as we have applications for loans coming in at all times.

Baldwin & Howell originally purchased the 742 acres of the Residential Tract, and sold the Forest Hill 82 acres, and they sold Meyerstein 142 acres, and the West Gate Co. 176 acres. I followed those purchases and sales pretty carefully. Mr. Murdock, of Newell & Murdock, who were handling Forest Hill, asked me to appraise the Forest Hill property for them, but I did not undertake that appraisal.

I was also trying to arrange a loan on the Charles Sutro property, and had occasion to take that up.

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My attention has been called to the Spring Valley lands in the Lake Merced Rancho since this Residential work has been taken up. I have walked over the land as early as 1901 and 1902. The Residential Development Co. purchase in the Sutro Estate was undertaken in 1911, and the deeds finally recorded about March 1912. The original acreage was 823, but of this acreage, 100 acres went to Charles Sutro, and 81 and a fraction acres went to the Forest Hill, leaving the Residential 642 acres.

I made an appraisal of the Spring Valley lands in the Lake Merced Rancho at the request of the City Attorney's Office, and I find we went over the property in April 1914, and have been spending more or less time ever since that in arranging the definite figures. I think the property is best adapted for residential purposes. Some of it in the lower section might be sold for industrial purposes later on. It is all a question of absorption. In the early part of this year the American Can Co. wanted to purchase a property to consolidate their factories. I took it up with Mr. Baldwin, and he suggested that we try to put them on the lower part of the Lake Merced properties. I took this up with the American Can Co.'s manager, but they could not use the property on account of there being no population in the neighborhood. I never questioned Mr. Baldwin's authority in making that suggestion to me. In my opinion it would take a long time to absorb the Merced property—probably thirty years for the property north of the lake. I find the Parkside Realty Co. put their property on in 1903, and in these 13 years that they have been operating, they have gotten a little less than 200 houses on the tract. If you allow five people to each residence, you will have there about 75 or 80 people a year that they have developed on that tract. The Ingleside Terraces purchased in 1911, have something less than 60 houses: Their development has been about the same, probably about 15 houses a year; the St. Francis Wood has about 18 or 20. The Forest Hill has something around 30. These averages will show that these different companies which are handling these properties, and which have advertised them as extensively as residential property can be advertised, have been unable to develop more than 100 people on any one of these tracts in a year.

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We have, north of the lake, in the Merced Tract, about 1,325 acres; if there were ten such syndicates working as are working in that district today, and each one of them was able to develop what these syndicates have developed, they would put 1,000 people a year in that district, or 25 to the acre, which would be some 33,000 people with ten of these syndicates, and would mean somewhere about 30 years. That was my method of seeing what the possibilities were of the absorption of the property. My minimum under the conditions

4076 as they are now, and have been in the last 10 or 15 years, would be 30 years for the absorption of that property.

Referring to a map, showing what has been absorbed in San Francisco in residential work in approximately the last 50 years: The rectangle toward the north comprises most of our residential property west of Van Ness Avenue, and running out into the Richmond District, and coming over into the Mission. In that property there is about 4,400 acres, as there are in the southern part outlined in red. It has taken practically 50 years to fill that. If we should grow twice as fast in the next period, it would take about 25 or 30 years to fill up the lower fraction, or Lake Merced land. The Sunset District is outlined in blue, and would give something like about 7,000 acres of land available there, besides all the property in the Richmond that is still unsettled.

4077 I made a map showing the subdivisions of San Francisco since about 1900, more for the purpose of showing that there has never been in San Francisco any property of 2800 acres that has been handled in its entirety. (The 2 maps offered and received in evidence, and marked "Defendant's Exhibits 88 and 89").

This list is one showing the principal, and a great many of the minor subdivisions in San Francisco since 1900, the total acreage of which is 1,447 acres. These subdivisions have not all been sold off at retail as of December 31, 1913.

4078 I believe the supply of restricted residential lots in San Francisco on December 31, 1913, was adequate to the demand, with the Ingleside Terraces, the St. Francis Wood, Forest Hill, and Parkside in this particular district. I could not say that the supply was adequate to meet the demand for some years to come. They have not been absorbed, but it was all a question of what the development will be. I would not consider that the demand on December 31, 1913, for that class of property, would warrant the immediate development and subdivision of new tracts in this locality.

In making my appraisal of Lake Merced properties, I tried to take all the factors into consideration. The topography of the land, the scenic effect, the transportation, the improvements of the property surrounding it, the attitude of mind of its prospective buyers, the sales of property of similar character in that district, the possible prices that might be gotten at retail, and to some extent, the cost of development. I think sales have a very positive influence on the market value of property, providing that there are a considerable number of them.

(List of real estate subdivisions received and marked "Defendant's Exhibit 90".)

4079 In making my appraisal I took all of the sales of adjacent land into consideration, but I think that all of the factors would have to

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

be taken into consideration, and the sale prices of adjacent lands would not be the only influence.

(A map showing the gradations and prices placed by the witness on each of the grades was introduced in evidence, and marked "Defendant's Exhibit 91".)

These appraisals were all made as of December 31, 1913, and the gradations represent the different characters of the property topographically, and not the subdivisions into which I would expect the property to be subdivided for sale. This is my method of getting at the valuation of the property as a whole.

Tabulation of valuations introduced in evidence, and marked "Defendant's Exhibit 92".

Parcel 1; commencing at the intersection of Junipero Serra Boulevard, and Sloat Boulevard, runs westerly to a point practically directly south of 41st Avenue, and then follows a topographical line to a point directly west of where the upper and lower lakes meet, and then follows the northerly line of the upper lake to the northerly line of the property described as parcel 2, and then following easterly to the westerly line of Junipero Serra Boulevard. 295.057 acres, at \$4,000 an acre, total \$1,180,228. In appraising parcel 1, I took into consideration the sales of similar property, which are shown on Defendant's Exhibit 89. I took the sales of property that I thought were of like character to the Lake Merced property. These properties included Ingleside Terrace, the Residential Development Co. property, the Forest Hill property, the St. Francis Wood property, Claremont Court, the sale of John Spring to the City and County, Balboa Terrace, the Relief Home Tract, which sale was of 23 acres made on July 17, 1913, for \$120,000, or approximately \$5,217 an acre. It has a very advantageous position, lying just in front of the Forest Hill Tract, and the 9th Avenue car line stops practically at the gates of the Forest Hill Court. There was also included the Wells Fargo purchase on Corbett Road, which lies at an elevation to the southwest of the Twin Peaks; 31.42 acres, at \$2500 an acre, total \$78,550. That sale was made in March, 1914. I do not consider that the northeast corner of this parcel 1 is particularly adapted for a commercial district, because introducing any business into that tract might possibly have a deterrent influence on the residential value. There are other parcels just as well adapted as this one.

Parcel 2; comprises the two gullies just to the south of parcel 1; 84 acres, at \$1500 an acre, \$126,000.

Parcel 3; lies between the two gullies making up parcel 2, and comprises 120 acres, at \$3500 an acre. It lies practically opposite Ingleside Terraces.

Parcel 4; lies along Junipero Serra Boulevard, comprising 297 acres; the northerly portion is opposite the southerly part of the

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Ingleside Terraces; the southerly portion is opposite Ocean View Park. The westerly line of parcel 4 is the intersecting line which would divide the property intended to be acquired by the City from the Spring Valley.

Parcel 6; is a deep gully, running from Junipero Serra Boulevard to the lake. 54 acres, at \$1,000 per acre, \$54,000. In appraising parcels 3 and 4 I used the Ingleside Terraces and Ocean View Park sales as a guide, and I took the general conditions into view.

4085 Parcel 5; lies directly to the west of 4, with the southwesterly boundary, and the northerly boundary on the upper and lower Lake Merced; 201 acres, at \$2500 an acre, total \$502,500.

Parcel 7; is bounded by Junipero Serra Boulevard on the east, and the lower Lake Merced on the west, and the county line on the south; 162 acres, at \$2,000 per acre, \$324,000.

Parcel 8; lies opposite Vista Grande on Junipero Serra Boulevard, and below the county line; it follows the contour lines of the level part. 99 acres, at \$1,750 an acre, total \$173,250.

Parcel 9; is the lower depression and the gullies extending as indicated on the map; 217 acres at \$700 an acre, total \$151,900. Those gullies would have to be shaped up with the adjoining parcels, and combined in the whole in subdividing.

Parcel 10; is at the southeasterly corner of the Lake Merced properties, and Junipero Serra Boulevard, and follows the contour line; 127 acres, at \$1500 an acre, \$190,500.

Parcel 11; is the lower property, just to the south of the lower lake, and includes the settling pond; 54 acres, at \$500 an acre, \$27,000.

Parcel 12; is the crest of a certain elevation rising from the lake, and extends as indicated on the map; 94 acres at \$1,000 an acre, \$94,000.

4086 Parcel 13; is the land back of this elevation, fairly level, but rolling in places, and extending toward the ocean on the southwest; 189 acres at \$900 an acre, \$170,100.

Parcel 14; at the southwest corner of the tract, and lies very low; there is a very distinct depression there; 43 acres, at \$400 an acre, \$17,200.

Parcel 15; abuts on the lower lake, and has a very gentle slope to the southwest; 98 acres at \$1500 an acre, \$147,000.

Parcel 16; fronts on the lower lake, and has a view of the lake; the boundary between 16 and 17 follows the contour line; 131 acres at \$1500 an acre, \$196,500.

Parcel 17; looks toward the ocean, and is west of parcel 16; quite rough and irregular, with rather heavy contour. 112 acres at \$1,000 an acre, \$112,000. In appraising these lands to the west of the lakes, I considered the Whitcomb and Brickell sales, and the Life Saving Station.

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

Parcel 18; at the intersection of Sloat Boulevard and the ocean; I have divided it into subdivision A, and subdivision B; subdivision A being 36 acres of low land which is quite boggy and wet, and 70 acres of high land which is somewhat irregular in contour, in subdivision B. Subdivision A valued at \$2,000 per acre, making a total of \$72,000; the 70 acres in subdivision B valued at \$3500 an acre, total \$245,000. I think that parcel 18 would have to be treated before it could be sold. I was furnished by the engineering force with the probable cost per acre of filling the depression there, and I took that into consideration in making my appraisal. I do not consider that tract 18 is adapted for a pleasure or recreation park, for if it were converted into an amusement park, it would be only a matter of a few acres at the southeasterly corner, and it might have a very bad influence on the balance of the acreage for residential properties. There is a very deep depression there of probably 30 or 40 feet in places. The land is very moist, and there is water running on part of it now in the portion which runs up into the peak at the easterly end of tract 18.

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The 20 foot strip running from Ingleside to a point opposite the southerly end of the Spring Valley property, comprising 6 acres, I valued at \$2500 an acre, total \$15,000. I appraised the Ocean Shore right of way by taking the acreage in each one of my subdivisions; that gave me an average price of \$1,149 for the 17.05 acres, or a total of \$19,595. I then deducted that from my total appraisal of the tract.

The total acreage of those gradations is 2,472.007, and the total valuation is \$5,089,583, which in my opinion, is the value of the Merced Tract as a whole, on December 31, 1913. I think a syndicate might be organized to take over that tract as a whole on December 31, 1913, in six months or a year. I think it might be easier to sell it to several syndicates instead of to one. If Baldwin & Howell, or any one of the large firms in San Francisco were given six months, or a year's option on that property at the figures I have put on it, I believe they might possibly either sell it as a whole, or get different groups of men to take up different fractions of the property at the figures I have placed on it. I do not think there would be very much difference between selling it off to several syndicates in large subdivisions, and selling it to a single syndicate as a whole, and so far as the real market value of the property is concerned, this is my opinion of the value.

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I do not think enforcement of restrictions a serious factor. I have made calculations based on the actual sales to serve as a check on this appraisal, and I find, referring to Defendant's Exhibit 89, that the average of the nine sales mentioned show an average price of \$2563. These sales have all been made since 1911. I have not taken into consideration some of the sales at a lesser value, such as the Colamore Tract, or the Twin Peaks sale, which was recently made at about

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\$1200 an acre. The average price \$2,563 per acre, was for 1,266.92 acres. The average price on the 1,325 acres north and east of the lake was \$2,890.

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I reflected the lakes into the property in my valuation. I considered that the owners of the property adjoining the lakes would have access to them, and that element has some value. I considered the scenic part of it, and the ingress and egress to the lakes, and appraised the property as I found it. These lakes do not have any definite real estate value as a selling proposition, and I did not consider what their value might be if they were drained, or sold off as commercial concessions. I did not consider the lakes as a water supply proposition, and I know nothing about the value of reservoirs for water supply purposes.

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There is very little residential development along the Great Highway. The type of residential development in the parcels of Merced Tract which front on the ocean beach would be altogether a question of how the tracts were improved; it might be possible to develop something very unique south of Sloat Boulevard. Sea Cliff, which is a water frontage on the Bay of San Francisco, is a very fine place. The view from the Lake Merced property is not to be compared with the view from Sea Cliff, and it being so far removed just now, is a very great factor in the valuation of the property. Defendant's Exhibit 89 also shows the distance of this tract from the Civic Center. I believe the Twin Peaks Tunnel will have a very definite influence on the selling ability of this property, but I did not include the assessments in my appraisal. I did not consider the retail selling prices in making my appraisal.

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Referring to the portion of the tract which lies south of the San Mateo County line; I think the development of that property is pretty far removed, and there is no telling today what the requirements will be when it does come into use. I believe that it will have to sell at a very much lesser value, as it cannot be improved as a high-class proposition. The Ocean Shore Railway runs all through that southerly portion of the property, and that would have a very bad influence on it as a high-class proposition. I think a subdivision would have to sell at four or five to one to make any profit, and that would be the ratio on any fraction of this property that was taken up as a subdivision to be sold at retail. If you should apply it to the price placed on the tract as a whole, the carrying charges might be greater.

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The Parkside District on the north side of Sloat Boulevard has no particular influence on the portion of Merced Tract which lies opposite, excepting that it is a development in the right direction, and is bringing population into that district. It is not a restricted development. They are getting about \$40 a front foot for their

cheap land, and it grades up to about \$60 for their better property, as against \$70 in St. Francis Wood.

CROSS-EXAMINATION BY MR. MCCUTCHEN.

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It would require thirty years to dispose of all the properties north of the lake embracing 1,325 acres, and as a basis for reaching that conclusion, I used the rate at which properties had been improved in other parts of the residential portions of the city.

I began to engage in the real estate business in 1905. I arrived in San Francisco along about 1901, and was not very familiar with the development here previous to that time. I understand that there were quite active operations in the market for the district beginning at Presidio Avenue, and extending westerly, and bounded on the south by California Street, for years before those properties were built upon. The Richmond District was pretty well sold out, and a great deal of the Sunset, and there had been a great many re-sales, but I believe that that condition is somewhat changed today. I believe that with the movement that we had here just after the fire with all of this subdivision work, across the bay, down the peninsula, and all over San Francisco, that practically every man and woman in San Francisco seems to own a lot somewhere today, and when you approach them to sell a piece of property of that kind, it is a very difficult thing to do, either today, or on December 31, 1913. I do not think that it is due to the fact that the real estate market is very much depressed. I think they have had their eyes opened. People buying that small property rarely treat with the bank; they usually buy it on 10% down, and the rest of it is carried by the seller. The individual owner of a 25 foot lot very rarely sells on a 10% payment. Those properties in that upper rectangle shown on the map are not sold that way today; they are sold practically for cash, or with a bank mortgage against them.

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Referring to the subdivision in blue, including Parkside Tract, a great many of those blocks have been sold and re-sold, but I think that the competition that comes in on all these properties, makes it very difficult to make these re-sales, and I think that that probably has always been a condition. They have had periods of boom here at different times; I understood that along about 1869 or 1870 they sold a great deal of acreage at very high prices. People bought at that time, and cannot re-sell today at the prices at which they acquired the property.

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There were not very many houses in 1900 in the district bounded on the east by Presidio Avenue, on the north by Presidio property, on the south by Clay Street, and on the west by First Avenue. There are about 28 blocks in that district, and the majority of those lots are about 50 feet, and that would give probably 16 houses to the block, and giving a family of five, that would leave 80 to the block,

4097 and 30 blocks would give about 2,500 people, so that it is pretty well built up now. I do not know personally that those properties changed hands a good many times before they were built upon, but I believe that might be a fact. I do not believe that a city of 500,000 population would increase in the future only in the same ratio as it has in the past, as the statistics I believe are, that cities of over 100,000 increase about 4% per year. I believe we are growing about that fast now; about 20,000 a year.

4098 It would take 30 years to populate this property, and I do not think it probable that those lots would sell a number of times before the expiration of the 30 years. I believe if the 1,325 acres north of the lake were divided into 10 subdivisions with 10 syndicates working on it, that there would be still a few lots left in a great many of those tracts at the end of 30 years; that is, they would practically never be sold out completely, and the buyer from Spring Valley Water Co. would not have been able to dispose of them all within 30 years, unless he finally made a sacrifice and a clean-up. There is a limit to sales reflecting their influence on the remainder of a piece of property, so that the owner may be able to increase his selling schedule all the time. I had a contract on Jordan Park, and Mrs. Jordan told me that she had been trying to advance that property 6% a year, plus the taxes, so as to make it a 6% investment; about three or four years ago she had to waive that 6%, as it was getting beyond the price at which the property around was selling for; it had reached a limit.

4099 I don't think anybody can say as to what would happen if this property were placed in the market and handled in the proper way; it might be very highly developed, and some very definite values gotten out of it, or it might be very poorly handled, and be a failure, and wreck the whole property out there.

4099½ About 33,000 people would occupy the 1,300 acres, and I doubt whether a city that will have a million population at the end of 20 years, would absorb that 1,300 acres. If we have a population of a million, the people would scatter all over San Francisco. They would find accommodations down town. The St. Francis Hotel that covers less than an acre of ground, takes care of about 1,000 people, whereas we only have 25 on an acre in this district. In that case it is nearly 200 times as many going into that district as in the outlying residential district. I do not know how rapidly population is being added to the peninsula. I think it would be very difficult to divert that population to this area if this property were put on the market, on account of the climatic conditions. The majority of people going down the peninsula do so because of climatic conditions.

I have not purchased any property for any syndicate putting on a subdivision. I have worked principally on the downtown dis-

trict, but I am collecting data all the time, and try to keep myself well informed as to what is going on in these things. I believe that a man who makes a sale knows a little more about it than the man who does not.

If I were investing my own money, I do not think I would want more information with reference to the value of property like this in large tracts, as I think I have as much data on this property as can be collected. I know about what properties cost to develop. The average cost per acre of very inferior improvements is about \$5 or \$6 a front foot. I was treating with the Martin Estate to take on about 60 acres on the county line about two years ago; Baldwin & Howell were willing to handle the property, providing they would spend \$1,500 an acre on it, which was about \$6 a foot. That property is rather irregular in topography; it is back of the Crocker Hill, toward the bay, and is not at all comparable to this Merced property. I think the cost of development there, however, would give me an index as to what the cost of development of property of this kind would be; I think it is just a matter of knowing what street work costs. It depends very much on the plan of development, and also on the width of the streets, and so on.

4100

If a prospective buyer took any of this property, it would be for him to determine what he wanted to expend on that particular tract; he can either develop it in a high-class way, or he cannot. The probabilities are he would get somebody like Mark Daniels, or Ponnett, or somebody who understands laying out streets and parking, and it would be for him to determine whether he wanted to spend \$1,500, \$2,500, or \$3,000.

4101

I think with the values I put on the property, you would have to use the Residential Development Co. sales, and others, to convince a buyer that he should go into it at all. Those sales were made, most of them, in the early part of 1912, and I think that conditions are very radically changed in that district from the early part of 1912 and December, 1913. I think the changes which have taken place between those dates have enhanced the market values of properties in that locality.

4102

Subdivision 1 is pretty near the same property, acre for acre, as the property sold by the Residential Development Co. I have made a comparison of some 724 acres, which comprises Parcels 1, 18, 2 and 3, and I believe a fraction of 4, and in that acreage there is about 110 acres of gullies, and rather inferior property about 15%, and I do not believe there is any more than this in this Residential property. Parcel 1 is pretty nearly level, and is almost a perfect piece of property as far as topography goes. It is very much more available than the property sold by the Residential Development Co., but I believe that the Residential property has a greater variety of property to offer, which I think is a very distinctive

4103 advantage in an acreage of that kind. I believe with the Residential property out of the market that this would be the next property to come in. In getting at the \$4,000 per acre, I checked my values against a practically identical parcel in size, about 725 acres that I have just mentioned; the valuations I have put on that property give a valuation to all of them of about \$3,000 an acre; it is about three or four times as large as the St. Francis Wood, and yet averages a price of about \$3,000 an acre, and it is practically twice as much as was paid for the Residential property. I believe, though, that the Residential people were pioneers in that district, and I think there has been a very definite development in the values of those properties.

4104 I believe that the Forest Hill property was worth \$3,000 an acre at the date of the purchase by that company. After the sale to that corporation, there was considerable activity in the district that had not existed at the time of its purchase, and after that it became a certainty that the Twin Peaks Tunnel would be constructed. I do not believe that anyone can say just what the development is going to be. It is a question of a prospective buyer determining what plan he wants to work out on a subdivision.

4105 I think if this property were developed on the same plane as the St. Francis Wood property, that the cost would be pretty nearly identical. I cannot see where the cost would be very much different between the development of Parcel 1, and what it had cost to develop St. Francis Wood per acre. I have not had any experience on that, any more than checking up street work and that sort of thing. If you put down a certain amount of paving on the street, it doesn't make very much difference whether it is on a rectangular block, or on a park roadway; it is all a question of the width of the street and the location. In laying out a tract in circular streets, rather than in rectangular streets, there would be the additional cost that would come in on account of the greater area, and of the circular curbing, and all that sort of thing. We are in touch with people doing that sort of work all the time, and they give us the prices. My experience which enables me to say that this development cost might be one, two, three or \$4,000 an acre is just an accumulation of knowledge I have gained over a period of seven or eight years. My opinion as to the cost of development is all based on a knowledge of the cost of street work.

4107 I first arrived at my valuations about a year ago, and made a report at the time, when the matter was put up for condemnation. I think there is a variation of \$25,000 or \$50,000 between my figures then and as they are now; it is practically identical.

4108 Referring to Mr. Baldwin's suggestion that I present the San Mateo portion of this property to the American Can Co.: My impression is he told me that if I could interest them in taking that

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

property, he would recommend the Spring Valley Co. to put the American Can Co. on it, and that it would be a very definite development in the right direction. We both believed it would be a very distinct asset on the property to start something of that kind.

I think you get a better value for your property if it is restricted. The average price on the sales that I used was \$2,563 for 1,266.92 acres. Those sales all took place in 1912, 1913, and 1914; most of them in 1912. The Relief Home sale at \$5,217 an acre took place in July, 1913, and I believe that that was worth that money to anybody that might acquire it.

4109

April, 1911, Ingleside Terrace, 147 acres at \$2,700 an acre, \$400,000.

March, 1912, Residential Development Co., 642 acres, at practically \$2,000 an acre, \$1,316,100.

July, 1912, Forest Hill, 82 acres at \$3,000 an acre, \$246,000.

August, 1912, St. Francis Wood, 176 acres at \$3,000 an acre, \$528,000.

October, 1912, Residential Development Co., to Meyerstein et al (Claremont Court), 142 acres at \$3,000 an acre, \$426,000. This property was subdivided afterwards. It was Meyerstein, and Spring and Murdock.

September, 1913, Spring to the City and County of San Francisco, 8½ acres at \$4,000 an acre, \$34,000.

October, 1913, Balboa Terrace, 15 acres at \$5,333 an acre, \$80,000.

July, 1913, Relief Home Tract, 23 acres at \$5,217, \$120,000.

4110

March, 1912, Wells Fargo & Co. to City and County of San Francisco, 31.42 acres at \$2,500 an acre, \$78,550.

Total acreage 1,266.82: Total price, \$3,245,050; average price \$2,563 an acre.

February, 1913, Colamore sale, 36 acres, \$1,100 an acre, \$39,500. That is at the west slope of Twin Peaks.

February, 1913, Brickell to Keller, 62.46 acres, at \$400 an acre, \$25,000.

December, 1913, Whitcomb to Eyre, 63.32 acres, at \$1,000 an acre, \$64,000.

April, 1915, Wells Fargo & Co. to the City and County, Twin Peaks, 10.51 acres at \$1,285 an acre, \$13,500.

1907, Ocean View Park, 26½ acres at \$1,300 an acre, \$34,450.

1904, Gum Forest, 22.84 acres at \$1,800 an acre, \$40,980.

1904, Life Saving Station, 41 acres at \$900 an acre, and 16 acres at \$300 an acre, \$42,162.

1892, Vista Grande, 20 acres at \$1,200 an acre, \$24,000.

4111 The Forbes' interest in Merced Ranch was 48/13316 of the whole ranch, comprising approximately 2,005.07 acres; five-sixths of this interest was sold for \$7,563.65 on June 24, 1911. This is approximately \$1,275 an acre.

FIFTY-NINTH HEARING.

NOVEMBER 12, 1915.

Witnesses: PHILIP P. PASCHEL for Defendant.

EDW. JAS. WICKSON for Plaintiff in Rebuttal.

4115 DIRECT EXAMINATION BY MR. SEARLS.

I prepared, at the request of the City Attorney's Office, an appraisal of the portion of Lake Merced Rancho which is within the limits of the land sought to be taken by the City of San Francisco in the condemnation suit brought against the Spring Valley Water Co., in December, 1913. My acreages I obtained from the City Attorney's Office.

4116 (A map showing the property in question was offered and received in evidence, and marked "Defendant's Exhibit 93").

I also prepared a table of the values which I placed on this land.

(Table offered and received in evidence as "Defendant's Exhibit 94").

4117 I arrived at the appraisement by taking the basis of some of the rules that are used in the East; that is, taking the lake as the frontage of the property, and reflecting the property value into the frontage on each particular parcel. My calculations were based on the original appraisal that I made on the entire tract. This is more of a computation based on the original appraisal and on certain rules. These rules are generally used, and have been adopted by certain cities in the East to determine the value of fractions of lots, and it seems to me it could be used to determine just what the value of that small frontage facing the lake might be. The title of the rule is Somer's Rule. There are a great many rules that are very close to each other as to percentages to determine the value of a fraction of a property; to determine what the front or the back of a lot might be worth. I could see no other way of arriving at the valuation of this property, except by reflecting the higher value into the lake frontage, and using these rules to determine what that valuation shall be. By doing that, it brings a very much higher valuation on the portion of the tract which is shown on this map, than if I merely took the pro rata of that acreage on the basis of my original appraisal, because it reflects all of the value into what would be considered the front of the property.

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

Questioned by Master.

The portion on the map which is colored green is the portion included in the City's condemnation suit.

Questioned by Mr. McCutchen.

The lake value has been reflected into this property, taking it as a frontage of the property. The figure 249 indicates the acreage of the south lake. The figure 118 indicates the acreage of the north lake.

4118

DIRECT EXAMINATION BY MR. SEARLS.

The blue figures I used simply as a basis for calculating the acreage in the subdivisions into which I have graded them, and in considering this map, the figures in red are to be taken as being the acreage of my various subdivisions, and not the figures in blue.

(Counsel for Defendant stated that in addition to the portion shown in green, the pumping station, and also the easement for the Baden-Merced Pipe Line are to be considered in this appraisal; also figure 15 is the 6 acre strip on the north of the Sloat Boulevard, which is to be valued by the witness.)

4119

Parcel 1: Central Pumping Station, 6.057 acres, originally appraised at \$4,000, on account of being a small parcel of this property I increased the value 25%, giving a valuation of \$5,000 an acre; total \$30,285. That increase was not based on the rule I mentioned.

Parcel 2: Is a basic acreage of 141 acres, with the property abutting on the lakes; it is the westerly part of the 244 acres running to the green portion of the map with the numbers 3, 5 and 4; in that particular portion, if a line were drawn from where the arm of the lake stops at the easterly point, directly north of the Sloat Boulevard, it would contain 141 acres. Taking these 141 acres, originally valued at \$4,000 an acre, which gave a valuation of \$564,000; 16 acres of water frontage is 11 percent of the entire acreage of this tract, and the 11 percent, according to this rule, is worth 28 percent of the value of the whole, giving a valuation of \$157,920. That brings the acreage right on the water front a valuation of \$9,810.

4120

Questioned by Master.

I have given no increase in percentage, excepting where the land is not facing the water, or where it was a small parcel.

DIRECT EXAMINATION BY MR. SEARLS.

Parcel 3; 4 acres on the boulevard; I have given this 25% increase on account of being a small parcel. \$5,000 an acre, \$20,000.

Parcel 4; 6 acres, which in the original appraisal was \$2,000 an acre; I have given that a 25% increase, making it \$2,500 an acre, \$15,000. That comprises the ravine below the nursery, a part of the original 106 acres.

Parcel 5; 15 acres. Was in my original appraisal at \$4,000; I have given that a 25% increase, making it \$5,000 an acre, \$75,000.

4121 Questioned by Master.

If that entire fraction of the 6 acres, the 4 acres and the 12 acres, were taken up and computed on the same basis, it would give a valuation to this little frontage on the lake of probably \$9,000, but the City takes all of this, so that they are buying it just as it is. Whether this rule has, or has not any merit in this case, it is a method of arriving at what we believe that property to be worth. I have taken that property just as though it were facing on a street frontage, and I am giving it the complete value which it would have if this were the actual frontage of the lot. The point is this: On these others I have taken it right to the Sloat Boulevard; if I combine the 6, the 4 and the 12 acres which are contiguous, and take the total of that acreage, and under the Somer's Rule would deduct the small frontage that was on the water front as a part of that original 39 acres, it would give practically the same valuation as the fraction in front of Parcel 2—if a small part of that were taken away just as is being taken away in Parcel 2. I have given the 25% increase on this particular fraction because it is a small part of the \$4,000 valuation, and advanced it to \$5,000.

4122

DIRECT EXAMINATION BY MR. SEARLS.

Parcel 6; I have given a total valuation in the original appraisalment of \$157,500, comprising 50 acres; 10 acres of this has a lake frontage; 20% of the whole is worth 41% of the entire value, \$64,575.

Parcel 7; originally comprised 120 acres, at \$3,500 an acre, \$420,000. 10 acres is 8% of the entire acreage, which is entitled to 20% of the valuation of the whole, \$84,000.

Parcel 8; is 5 acres which was appraised at \$2,500 an acre; I have allowed twice the acreage, and given this 72% of the valuation as being the frontage of the lot, being \$18,000.

Parcel 9 is 201 acres at \$2,500 an acre, \$502,500, which was the original appraisalment placed on the property.

Parcel 10; 54 acres, at \$1000 an acre, \$54,000, which was the original appraisalment.

Parcel 11; 162 acres at \$2,000 an acre, \$324,000; 20 acres equaling 12% of the whole, or 30% of the valuation, \$97,200.

Questioned by Master.

Parcel 10 comprises that gully which runs from the lake up to the Junipero Serra Boulevard, and in that case I had not applied anything; it goes right to the water front, and that is in the original appraisalment. I have not put any increase on it, on account of its being a low gully, and it is all of my original appraisal also.

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

DIRECT EXAMINATION BY MR. SEARLS.

Parcel 12; 42 acres, at \$500 an acre, \$21,000, the same as the original appraisement.

4123

Parcel 13; 98 acres at \$1,500 an acre, \$147,000; 29 acres, 30% of the acreage, entitled to 54% of the valuation, \$79,380.

Parcel 14; 131 acres at \$1,500 an acre, \$196,500; 32 acres, 24% of the acreage, 48% of the valuation, \$92,355.

Total: 456.057 acres; valuation, \$1,310,715.

I checked that with the value which the remainder of the property would have under my original appraisal, if this rule were applied. The figures shown at the bottom of my table are the residual value which that property would have under the application of this rule. This seems quite a strong valuation for the lake frontage, but I simply have considered the lakes as the frontage of that property, and reflected all of that value into the lake frontage. I did not deduct anything for the Junipero Serra frontage.

I have a book here showing the Somers' Rule and the table, the title of which is, "Some Principles and Problems of Real Estate Valuations, by Alfred Duncan Bernard, Special Assessor to the Appeal Tax Court of Baltimore; Real Estate Official for the United States Fidelity and Guarantee Co.; Real Estate Officer of the Equitable Mortgage & Trust Co." This table is shown on page 23 of this work, and I think the basis on which this table is worked out is an arbitrary rule based on experience. There are six, or seven, or eight different rules; there is the Davis, the Hoffman, the O'Neal, and the Somers' Rules, and they are all practically about the same percentage when it comes to treating and finding the valuation of a fraction of a lot. Several books are published on this question, and it has been used in thousands of appraisals. We use these tables considerably; for instance, take it in the Civic Center Case, there were a great many fractions of small lots, and there were questions of determining what the front part or the rear part of the lot might be worth.

4124

When you appraise the front portion of a lot in accordance with this rule, the purpose of giving an additional value to the part that you take is that it destroys the ingress and egress to the rear part of the lot when you buy the front of it. In making this appraisal I assumed that if this property were acquired, the owners of the remaining property would be allowed to pass over it by roadways. I am speaking now of Parcel 10, also Parcels 3, 5 and 4, and I also assumed that nothing would be done to impair the view of the lakes.

4125

Questioned by Master.

I mean that both the excluded and the included acreage here are open to free communications, just as they would be if this segregation were not made. That is to say, the lake could not be used at all by any of the owners of the left-over portion of the property.

DIRECT EXAMINATION BY MR. SEARLS.

4126 When I stated that the value of the lake would not be impaired, I meant that no high fences or trees, or anything of that kind would be planted around it to obstruct the view, and also that the lakes would not be drained. I was instructed by the City Attorney to take that viewpoint of the property. I do not consider that to assume the contrary would be a reasonable basis for proceeding.

4127 The pipe line running from the Central Pumping Station is 13,682.67 feet. I have appraised that at 50 cents a running foot, or practically 5 cents a square foot, allowing about 10 feet in the entire area a cross section; that would be \$6,481. The pipe line crossing the lower part of the property 4,583 feet, at the same valuation, \$2,294. The several small pipes in Parcel 7 contained 4,891 feet, at the same valuation, \$2,446, giving a total of \$11,221, with the exception of certain trestles on which those pipes are carried across the gulches. I understand that this was a sub-service easement. I did not assume that the owner of the Merced Tract would never be able to make satisfactory arrangements with the owner of the pipe line easement for placing the pipes beneath the streets if the tract were subdivided. I understand that similar arrangements was made with the St. Francis Wood by the Spring Valley Water Co., and also the Charles Sutro Tract. The total value which I have given these tracts, plus the values which I have given to the pipe line easements, are my appraisal of the land and the easements which were included in the condemnation suit, and the total valuation of the property is \$1,321,936. The first pipe line is 13,682 feet, the second one is 4,583, and the other is 4,891.

CROSS EXAMINATION BY MR. MCCUTCHEN.

4128 I assumed that the owner of the easement would have the right to enter upon the property from time to time for the purpose of removing the pipe, and of laying other pipes. I think it could always be arranged to have it follow street lines in case of a subdivision.

I have never been concerned with a property through which a water pipe was laid, and do not know anything about the troubles that have arisen from the existence of easements of that kind. If I held the title to the property, I would be willing to sell at the rate of 50 cents a running foot; if I got the valuation of the property, and still held the fee, I think I would be satisfied to do that; 50 cents a running foot means about \$2,200 an acre.

I took the property just as it is, and made the appraisement as I would any property with a marine view, and with a topography as that land lies there. I could not say how much smaller my valuations would have been if the lakes had not been there. I assumed that the view of the lake would not be obstructed if it were taken

by the City. I do not think that the City might plant trees around the lake, as I think it would be very logical and common sense to leave that just as it is. It would be folly to destroy the view of the lake. As a real estate value, I do not think the lake has any value by itself. My valuation is for the purpose of enabling the City to take it and deprive the present owner of any interest in it, but they are acquiring the land that is surrounding it. As real estate, the lake has no value except as reflected into the land, and on my figures the City would be paying \$1,310,715 for the land which surrounds the lakes. The lakes would be acquired in that valuation, and they would be paying for the lake as it is reflected into the adjoining land. I cannot compute how much that would be any more than I have taken the appraisement just as I found the land, and put the valuation on it. I have given my opinion as to the value of the property surrounding the lake, which includes the lake. I know that the City's only purpose in acquiring the property outlined in green is to get the lake.

4129

4130

Questioned by Master.

If the City were condemning only the portion tinted green, and not condemning the lake, I would not, on my theory, value the tinted portion at the same figure, for if they were only acquiring the fraction of ground that is tinted green, and there was no lake there, there would be no such valuation as I place on the property, because, in reflecting my value into the surrounding land, I am simply taking it as property having a marine view with a frontage on the lake; also with ingress and egress to the lake, which I think has some value. The fact of a man being able to buy property abutting on the lake, might have a very considerable valuation there, and that is the value which has been reflected into the adjoining property. It would not abut the lake if the City acquired this property.

4131

CROSS EXAMINATION BY MR. MCCUTCHEN.

If this green strip was 5 feet in width all round the margin of the lake, instead of being the width that it is, I believe that rule would work out on a valuation of that kind. Referring to a 10 acre strip, in Parcel 6; if there were a little strip of that kind narrowed down to 5 feet, and if the conditions were different from what they are here, I would have gone at it on a different method, and not reflected back into all this acreage. I would have taken it presumably on a valuation of a 100 foot lot, or something of that kind, and just reflected it into that. I take it for granted that the City's purpose is to obtain these lakes, but if it had narrowed that strip to 5 feet, I do not know that it would have whittled the value to a point almost; it would be a question of going over it under different conditions of appraisal. I have reflected the value of the lakes into this land according to the best method I could find for reflecting it.

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4133

I do not know whether the City would get the lakes for practically nothing on my theory, if it had limited itself to a strip 5 feet wide around the lakes, wanting the lakes as it does, and not the land. It is a new condition altogether to check up an appraisement on that.

4134 I cannot tell you what I added to the land for the presence of the lakes. I have just taken the property and appraised it as I found it. I have no idea what the value of the lakes is for reservoir or water purposes. It might be that for those purposes the lakes would have infinitely more value than they would by including them with a narrow strip of land, the valuation of which was to be determined on the rule that I have announced here.

RE-DIRECT EXAMINATION BY MR. SEARLS.

4135 I think that the fact that I have no interest in that property in any way down there—that I would be able to give as fair an appraisal as anyone else, and probably a little bit fairer. I have no prejudice against, or no interest in that property.

RE-CROSS EXAMINATION BY MR. MCCUTCHEN.

My experience has been in business properties mostly.

Wickson

Witness: EDWARD JAMES WICKSON, for Plaintiff in Rebuttal.

DIRECT EXAMINATION BY MR. MCCUTCHEN.

4136 I am professor of horticulture of the University of California at the present time. I began in 1879 or 1880 as instructor, and have been in that department practically 35 years. For about 7 years I have had charge of the property of the university in different parts of the State, on which orchards were grown, and so on. I have been in very close touch with the agricultural and horticultural development in California, and know the property of the Spring Valley Water Co. at Pleasanton, known as the Chabot property. I have been all over it thoroughly, and I am familiar with the Hewlett piece adjoining. I was asked to go and examine them with a view to their suitability for agricultural purposes. I was told that the land had been called alkaline, and I made an examination of the two pieces for the purpose of ascertaining whether alkali was present in quantities sufficient to interfere with the development of vegetation. I think it was in the first week of September, at a time when indications of alkali would be very evident if they existed when I was there, but although I found a few bare places, I did not find any direct indications of alkali, and I am not sure that those particular places were made bare by alkali. The ordinary indications of alkali are the character of plants, or the absence of plants, or if efflor-

4138

escence on the surface from the evaporation of the alkali were absent. I could not find any.

The land is heavy for the most part, although some of it is mixed somewhat; also probably there is excess water that ought to be disposed of. Beyond that, good farming ought to bring crops on the land. I understand the land has been overflowed more or less, but unless the overflow was of too long duration, it would not interfere with the growth of certain crops. If it were too long, then certain drainage would correct it. That is the universal experience, and my answer applies to both of those tracts.

4139

I have been to the Calaveras Valley twice for the purpose of forming an opinion as to its suitability for agricultural purposes. Fruits are grown successfully in the Calaveras Valley at the present time. That is the first thing I looked for, the condition and behavior of trees that have been growing there for a considerable time. The trees that are there indicate that the soil and the climate were suitable for the growing of fruit trees, such as pears, apples, plums, prunes, and grapes. We made a circuit of the valley, and then went up on to the slopes on the south and west, and on the southeast. Those hill lands are available for fruit lands, at least up to the elevations that they have now been used for grain and hay, and probably considerably higher. The common experience is in using hill lands, that after they take to planting fruit, they generally go higher than the previous line of cultivation for hay.

4140

We found a number of old orchards, with some trees that were at least 30 or 40 years old, and considerable acreage of trees that were over 20 years of age—the latter were in bearing, and some of the very old trees were also bearing well. We found both orchards and vineyards on the land sloping into the valley; some of the vineyards on the steep slopes were going back; I didn't make any examination to determine whether it was phylloxera or whether it had been neglected. There was one vineyard in very fine condition down near the southern end of the land that slopes into the valley. It was said to be 7 years old, was very thrifty, and had been well taken care of. The 7 acre vineyard—Frenchman place—is mostly on the right-hand side of the road, and pretty well up near the top of the ridge. Before we came to the vineyard, and on the same road, we passed a prune orchard, and stopped and looked at it. It was thrifty, but the trees were not as large as one would find down in a valley situation, but it was a good hill orchard.

4141

4142

We found the suitability of the climatic conditions for the growing of fruit demonstrated by what we actually saw growing there. We saw a large range of thrifty trees, including those I have mentioned, and apricots and almonds. I concluded from what I saw that the land was certainly adapted for all kinds of deciduous fruits which are commonly grown. I would have no hesitation in saying

that they were in many cases adapted to growing vegetables, although I do not remember of seeing any vegetables on the land immediately in the valley, or immediately surrounding it.

CROSS EXAMINATION BY MR. SEARLS.

4143 I have never been on the Chabot place until last September, and have never had occasion to observe that property during the winter season and early spring. I am familiar with adjoining property in the valley, but I do not think I was ever on that particular place before. The ordinary indications of alkali in the soil are the absence of certain plants, or the presence of plants which are known as alkaline plants, salt grass, and a number of other things would indicate alkali. In going over the Chabot Ranch, I did not notice any weeds commonly known as indicating alkali.

Questioned by Master.

I didn't see anything there that would be commonly recognized as alkali vegetation. I might say that there are various degrees; there are certain plants that will tolerate about as much alkali as some cultivated plants will, but those are not considered indications of alkali, because they are not distinctively such.

CROSS EXAMINATION BY MR. SEARLS.

4144 I was only on the Chabot Ranch one day, and I went all over it making observations, and looking for plants and seeds, and one thing and another. I was there on the 5th of September. There is what they call a mealiness of alkali spots sometimes; I never saw that except where scantiness of vegetation indicated alkali. I did find spots on the Chabot Ranch where vegetation was more or less scant, and I looked at those, but did not find the characteristic alkali vegetation. We did find the seed of burr clover and other plants that will not grow in alkali. I took it to indicate that after the rainy season there had been an indication of burr clover. You never find that on alkali soil. I have never seen burr clover growing there during the rainy season, but you could tell from the amount of seed present what had been done. The one bare spot that puzzled me was close up to the main road near the building on the Chabot place. I rather thought that had been simply tramped out by the stock. That was on the main road as we went in from Dublin. 4145 I do not know to what extent that property is flooded in winter.

If that country were heavily flooded, I do not think it would require under-drainage. It seems to me that opening the outlets and catching the storm water on the way to the property is one of the problems. If the floods were caused by the overflow of some of those numerous creeks, and it was impossible to drain the water into the creeks on account of the lack of fall of the land, I do not

think that even then a system of under-drainage would be necessary to carry that off. The first thing would be to open the surface outlets, widen them, and deepen the natural sloughs, and then cut open ditches into the place. I observed evidences of attempts to drain that property in the past, and I was told that there had been considerable gain, but I know nothing about the failure or success of those measures, as I have never seen the property under water. The fact that intelligent measures had been taken in the past to drain that property, and had not been successful, would not alter my idea a bit as to the feasibility of draining it without considerable expense, because it would simply mean that it wanted to be done in a better way; that is, opened up more, deepen the ditches, and widen the outlet.

4146

I have never personally undertaken any work looking to the reclamation of land, but I have seen a great deal of it. I have had something like 1,000 acres in different parts of the State under cultivation. There was no reclamation in connection with that, but there were drainage operations to some extent at the university farm, and one tract in southern California that we had to provide with drainage. My opinion as to the suitability of this property is not based on that trip. My experience enters into it. That is the only time I saw this property. How far the reclamation or drainage has to go depends upon what you undertake to grow; there are so many useful forage plants and so on that will stand the overflow.

4147

In going to Calaveras Valley we started from Sunol and went down the usual way into the valley, entering at the north end, where the dam is being built; we first went the length of the valley on the westerly side, and then came back through the center of the valley to see those various orchards. That was the first day's trip, and we left Sunol about half past six or seven o'clock in the morning, and went in with a machine. We got back to Sunol about six o'clock. On the second trip we started out again early in the morning, and approached the valley in the same way, and went down in the west side in order to get to the southeast part; we went around through the southeast part during the morning. Then we crossed over to the west side to examine the slopes and the hills, and finally got up to the Frenchman's vineyard. In the latter part of that afternoon we got over to Milpitas. Mr. Roeding accompanied me on the first trip, and Mr. Roeding and Mr. Winterhauer on the second trip.

My opinion as to the availability of the valley and the hill lands for fruit growing purposes is based on what I saw in the way of growth of trees, and inferences from that, and also similarity of the slopes and conditions generally in valleys where I knew fruit was being grown. I have never been in Calaveras Valley before, and know nothing of the temperature records there. The elevation of the slopes

4148

is somewhat above the floor of Santa Clara Valley, and I presume the Calaveras Valley is too, but I do not know the elevation exactly. It may be common knowledge that the snow line comes down pretty close to the hillsides there in the winter, but that would not be a particular objection for the fruits I have mentioned. The hillsides at certain elevations out of the bottom of the valley, and not too high, would be adapted for apricots and almonds. In fact, we saw old almond and apricot trees there. There are two soils in Placer County in which deciduous fruits are successfully grown. One comes from the granite, the other from the slate; both are redder soils, but that is not the best soil for deciduous fruits by any means. It is pretty hard to say which is the best, we have so many kinds of soil in California of different origin.

4149

I have seen some of the competitions at fairs in this state for fruit products, and I am not surprised that deciduous fruits produced in the lower end of Nevada County, or in Placer County very frequently carry off the blue ribbon. It would be an indication that that type of soil was pretty well suited for fruit production, but it does not rule out others. In Placer County, on the north side, around Newcastle and Penryn there are a good many orchards. I do not think you find the thrifty orchards on the southerly and westerly slopes in nearly every case. I would rather have it directly southerly; sometimes the soils on the southerly slopes get dried out too much; it depends somewhat though on whether you are working by irrigation or rainfall.

4150

I think beyond scattering trees, the only orchard I saw on the hillside proper was the prune orchard. I didn't count the old orchards, but I think there were half a dozen places where old fruit trees were found on the hills that I saw. I do not think that in any of those places I saw more than 3 or 4 acres at most planted to orchards. I think it is true that you can take almost any country in California, and by selecting some particular spot, get a pretty thrifty family orchard out of it; that is one of the advantages of the state. The orchards that I saw were mostly trees planted for family use. That was really the way that the adaptability of California was demonstrated; nearly all our orchard districts have gone out from home planting. In many places when the adaptability was established, the orchard district usually went out from the home orchard, if the land was for sale and so on.

Questioned by Master.

4151

I consider that Calaveras Valley is a country that considering all conditions, commercial, as well as of soil and climate, is adapted to horticulture. I think if it had not been taken up for reservoir purposes, and beclouded that way 30 or 40 years ago, it would have been fully developed as a fruit valley long before this time, and I include the element of transportation.

SPRING VALLEY WATER CO. VS. CITY AND COUNTY OF SAN FRANCISCO

CROSS EXAMINATION BY MR. SEARLS.

I do not know the date on which the lands on the southwesterly slopes of the valley were acquired by the company. I know that when I came to California in 1875 the Calaveras Valley as a reservoir site was being quite actively discussed. I do not know how much of Calaveras Valley was in the hands of the Spring Valley Water Co. at that time. If I should be shown that farmers and orchardists had resided on the southwesterly slopes as late as 1911, and had never extended their family orchard beyond the confines of 2 or 3 acres adjoining their house, that would not be an indication to me that the land was better adapted to farming purposes than it was to orchard purposes, because probably the man did not know what his land was good for, or preferred to do something else with it. Sometimes farmers are not active or interested enough to do much of anything. That is not conditioned on the stability of the soil. It is the man in many cases.

I have made reports on ranches, orchards and farming lands for personal clients, which reports have been based generally upon one visit to the property. When the land has been under cultivation; if it is a matter of trees, and the trees have been planted some time ago, you do not have to give much time to an examination, even though you found those trees only in a few spots, because you can tell from the similarity of adjacent lands that practically the same thing can be done. I only made a surface look at the soil on the westerly slope of this valley. I am not a soil expert particularly.

4152

We went up to the Brandt-Hansen place, but I did not notice particularly outcroppings of rock. One will always find rock outcroppings in hill land. I think that a man who has seen a good deal of the state, and can see trees which have grown, might perhaps tell more in a day than many another man might in much longer time. You can trace the growth of a tree, and in looking at a tree to understand what has happened to it, you can note the year growth back from the tip. You can tell how it has behaved for a number of years. One trying to make up an opinion from an examination of properties containing trees always does that. You always allow for whether the tree has been practically abandoned, or whether it has been properly treated. If you find trees living under conditions of utter neglect, and abandonment, and still bearing fruit, that is of course a pretty strong indication of natural adaptation. Fortunately you find some trees that do that in almost any part of the state.

4153

Questioned by Master.

4154

I recognize a difference between white and black alkali. White alkali shows on the surface white, and black alkali also shows on the surface. The incrustation is more or less blackened, especially around the margin of the alkali spot. The reason it is called black alkali is because it has extracted the humus from the soil, and on evaporation the incrustation is blackened, and also if you see water standing on

4155

it the water will be black. I did not see any evidence of black alkali on the Chabot place or on the Head place. One characteristic of alkali in the soil is that it is mealy, or sort of granular; it is different from a dusty condition of a lumpy soil. There is a grass with a fuzzy plume that is sometimes called poverty grass, and you are liable to find that upon soil that has no alkali. It is not an indication of alkali. The salt grass, or a creeping grass, is one of the most abundant plants that grow on alkaline soil. That is an indication of a moderate amount of alkali. Salt grass will not grow on land that is too strongly alkaline, and it seems to be just on the divide between alkaline and non-alkaline. You cannot get barley to grow on salt grass land; then you can go beyond that and it will be so alkaline that salt grass will not appear at all. It cannot stand the excessive alkali.

4156

The greasewood that you see on a truly alkaline plain is a different greasewood from that we have in Berkeley. Sometimes you can determine whether alkali is present in soil without an analysis of the soil, but of course those things ought to be tested out by an analysis of the soil at different depths. It would be possible, under certain conditions, in the case of the Chabot land, for the surface to show no indications of alkali in September, and yet with the leaching out of the winter flood have sufficient alkali to make a crop impossible; where there is a very large amount of fresh water coming on the land the alkali may be carried down if there is enough under-drainage; it might carry the alkali down so that in that heavy rainfall year you may not see the result of it very apparent, but by subsequent evaporation it will come up again. It does work up and down according to the amount of fresh water, and a surface test would be sufficient. A farmer only needs to make a surface examination of land, and if it is alkaline he sees it.

Questioned by Mr. Searls.

The alkali might be carried down by overflow into the soil, and go out with the drainage sufficiently, but in that case your objection to the land on account of drainage would not hold.

Questioned by Master.

4157

Alkali comes from elsewhere in the formation of the soil, and was found in the soil, and will come to the surface during the period of saturation. It is generally brought to the surface by surface evaporation after a heavy amount of water has been applied either by irrigation or by overflow. It is, in fact, the concentration of alkali near the surface that constitutes the chief danger from it. Alkali can be distributed through 4 or 5 feet of soil without interfering with the growth of plants, whereas, if the same amount were brought up to within the first foot of the surface, it would show on the surface and be alkaline land. White alkali is not so corrosive as black alkali.

INDEX

INDEX.

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
ABBUHL TO GREENWOOD				
Real estate sale—Stevens Creek.....	3713	986		
ABSORPTION OF LAND				
Defined	3753	998		
ACCESSIBILITY				
Lack of, affect values.....	3381	900		
Parcel 73, Peninsula lands, pocketed.....	3228	856		
Woodside lands more accessible than Parcel 73.....	3457	919		
...	3458	919		
ACKERMAN TO POPE				
Real estate sale—La Honda.....	3714	987		
ACREAGE				
Of Lake Merced lands (Paschell).....	4088	1079		
ADAMS ESTATE TO SAWYER				
Real estate sale—Menlo District.....	3696	982		
AGRICULTURAL LAND				
Experience in the valuation (Smith).....	3814	1015		
ALAMEDA CREEK LANDS				
Location of feed on grazing lands.....	3053	801		
ALEXANDER TO LAW				
Real estate sale—Woodside	3658	971		
.....	3682	977		
ALKALI				
Characteristics, indications, etc.			4155-4157	1098
Difference between black and white.....			4154	1097
Ordinary indications of.....			4138	1092
.....			4143	1094
Wickson did not find any direct indications of, on Chabot and Hewlett lands.....			4138	1092
Wickson's examination of Chabot land for indica- tions of			4144	1094
AMERICAN LAND & WATER CO. TO LAW				
Real estate sales—Woodside	3657	970		
.....	3688	980		
APPRAISAL				
About 30 days spent in work of, by Oliver.....	3955	1048		
Carolán property made by Smith.....	3841	1022		
.....	3845-3854½	1023-1025		
Grainger property made by Smith.....	3836	1021		
.....	3837	1021		
Hillsboro sales not considered.....	3946	1044		
Of land, can only be made by grading (Tuchsen)	3882	1032		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
APPRAISAL—Continued.				
Peninsula lands made at request of Mr. Steinhart (Oliver)	3946	1044		
San Mateo Park sales not considered.....	3946	1044		
209 acres that drain into San Mateo Creek not appraised (Oliver)	3950	1046		
Tuchsen, none made by on peninsula lands.....	3882	1032		
ARBITRATION				
Of cost of physical structures, suggested by Greene			3706-3712	986
ARBITRATOR				
Suggestion called off by Supervisors.....	3983	1053		
ARROYO MOCHO LANDS				
Cattle ranged by Hayes & Devani.....			3405	906
Hayes, has not visited in 5 years.....			3406	906
Leased from Gallagher by Hayes & Devani.....			3405	906
Not as well watered as Calaveras lands.....			3406	906
BACHELDOR ET AL PURCHASES				
Menlo District	3695	982		
BACHELDOR TO GAMBLE				
Real estate sale—Los Altos District.....	3698	983		
BACHELDOR ET AL TO SHARON				
Menlo District real estate sales.....	3645	968		
BACK DOOR ENTRANCES				
Half Moon Bay Road to estate properties (Smith)	3459	919		
BADEN CO. LAND				
Offer of sale	3251			
.....	3252	863		
Baker to Schilling—Real Estate sale.....	3717	988		
BALBOA TERRACE				
Compared to Merced lands as to value.....			3080	808
.....			3081	809
Marine view less than St. Francis Wood.....			3155	832
Offer made to Parkside Co. of \$5232 per acre....			3080	808
Sale, had little influence on value of Merced land	4030	1064		
St. Francis Wood more marine view.....			3155	832
BALDWIN-HOWELL				
Originally purchased Residential Tract 742 acres	4072	1074		
Sale of Residential Tract to Forest Hill, Myerstein and West Gate Co.	4072	1074		
BARIOHLET TO HILL				
Real estate sales—Los Altos.....	3637	966		
.....	3641	967		
.....	3700	984		
BARONDA TO BROWN				
Real estate sale—Woodside District.....	3685	978		
BARONIAL ESTATES				
Peninsula lands could be disposed of as such....	3490	927		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
BARRON TO WARRANTY INVESTMENT CO.				
Real estate sale—Beresford District.....	3664	972		
BASSETTI LANDS (PARCEL 208)				
Compared to Beatty land.....	3419-3422	909-910		
Compared with Connolly land.....	3265	868		
Connolly land, greater market value.....	3899	1035		
Described by Smith	3419	909		
Difficulty of building on it.....	3905	1036		
Hooper property at Woodside more attractive....	3662	971		
Sale to Spring Valley Water Co.	3884	1032		
BEATTY, OSCAR LAND				
Compared to Spring Valley Peninsula land.....	3297	879		
Compared to Bassetti land.....	3419-3422	909-910		
Photograph taken by Smith before employment by city	3418	909		
BELMONT DISTRICT				
Pringle land, real estate sale.....	3510	932		
.....	3512	933		
Ross to Foothill Development Co.—Sale.....	3663	972		
Geo. Ross place offered for sale.....	3513	933		
Splivalo property sale.....	3514-3515	933-934		
BELLVIEW TO SHARON				
Real estate sales—Menlo District.....	3697	983		
BERESFORD DISTRICT				
Barron to Warranty Investment Co.—Sale.....	3664	972		
McLellan land offered for sale.....	3513	933		
BERNHEIM TO HOOVER				
Real estate sale—Coast District.....	3719	989		
BERNOLI LAND				
Sale to Wolff	3210	849		
BLACK MOUNTAIN LAND				
Howard Estate—for sale	3516	934		
BLACKWOOD TO HOAG				
Real estate sale—Menlo District.....	3696	982		
BOATING				
Gave value to land adjoining the Peninsula lakes (Oliver)	3953	1047		
BORDIEUX TO CHILCOTT				
Real estate sale—Los Altos District.....	3702	984		
BOREL TO JANE				
Real estate sale—Hillsboro District.....	3665	972		
BOSTWICK TO HOOPER				
Sale of land	3885	1033		
BOULEVARDS				
Possibilities of, on Merced lands.....			3152	831
.....			3153	832
BRANDT-HANSEN LAND				
Remarks about trees (Wickson).....			4153	1097

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
BREWER LAND				
Crop, production of	3930	1041		
Location of	3929	1041		
Similar to Ravenswood lands.....	3929	1041		
BRICKELL LAND				
Sale to Keller, February, 1913.....			3097	815
Sale considered in valuation of parcels 18, 19, 20, 23, 25, Merced land (Martin).....	4002	1058		
Valued at \$500 an acre (Martin).....	4044	1067		
BRITTON LAND				
Looked at with view of purchasing (Oliver).....	3957	1048		
BROWN TO DIXON				
Real estate sale—Los Altos District.....	3698	983		
BROWN TO SAWYER				
Real estate sale—Coast District.....	3720	989		
BUILDINGS				
Class of, along Great Highway.....			3171	837
.....			3172	838
BURI BURI RIDGE				
Comparison of east and west sides.....	3201	845		
Top could not be sold for residential purposes...	3962	1049		
West slope if well wooded would have been valued higher (Smith)	3778	1066		
Westerly slope comparable to Woodside lands (Smith)	3750	997		
Would influence prices and development of Penin- sula lands	3774	1005		
BURKE ESTATE TO GREENWOOD				
Real estate sale—Menlo District.....	3695	982		
BURKE LAND (PARCEL 164)				
Compared with Green property.....	3660	971		
Compared with Hill property.....	3641	967		
Compared with Schlessinger property.....	3647	968		
.....	3648	968		
Comparison of valuation with Marchand land (Smith)	3427	911		
Compared to Fitzhugh land (Smith).....	3478-3481	924-925		
Depreciated in value on account of yellow hill...	3660	971		
Topography described	3414-3418	908-909		
BUTTON TO HOOVER				
Real estate sale—Coast District.....	3718	989		
BYRNE-McCARTHY PROPERTY				
General description	3660	971		
Woodside District—real estate sales.....	3660	971		
BYRNE-McKEE TO HOOVER				
Real estate sale—Coast District.....	3718	989		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
CALAVERAS LANDS				
Better feed and water than Mocho.....			3401	905
.....			3406	906
Grazing superior to Mocho.....			3401	905
Have more rainfall and more springs than Mocho lands			3406	906
Hayes, when visited by.....			3407	906
Parks Bros., land leased by.....			3403	905
Portions visited this year (Hayes).....			3402	905
Ranged over by cattle owned by Hayes.....			3402	905
CALAVERAS RANGE LANDS				
Number of cattle they will carry (Rogge).....	3054-3055	801		
CALAVERAS VALLEY				
Adapted to horticulture			4150	1096
Availability for fruit growing.....			4148	1095
Climate suitable for fruit growing.....			4142	1093
Drainage conditions			4145-4147	1094-1095
Fruits successfully grown			4140	1093
Orchards, condition of			4140-4142	1093
CALAVERAS VALLEY LANDS				
Grazing lands rented from Spring Valley Water Co. by Rogge	3055	801		
.....	3058	802		
.....	3060	802		
.....	3061	802		
Number of cattle, grazing land will carry	3054	801		
.....	3055	801		
CALLAGHAN PROPERTY				
Compared with Santos property	3622	962		
CALLAGHAN TO SHARON				
Menlo District, real estate sales.....	3643	967		
.....	3691	981		
CANADA LANDS				
Average value per acre of Peninsula lands west of lakes, including West Union, \$56.10 (Smith)	3801	1012		
Climate not as good as in Woodside District.....	3636	966		
Climatic conditions compared with Scalmonini, Bassetti & Knopf	3910	1037		
Compared with Hooper lands for residential pur- poses	3886	1033		
Compared with Connolly land.....	3887-3903	1033-1036		
Hooper lands more desirable	3905	1037		
Letter received by Tuchsén from A. S. Baldwin, re parcel 105	3909	1037		
Location of	3886	1033		
More desirable than the Madden land.....	3902	1036		
Not comparable to Woodside lands for residen- tial purposes	3888	1033		
Parcel 105 appraised at \$350.00 per acre (Tuchsén)	3910	1037		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
CAROLAN LAND				
Appraised and method used by Smith	3841	1022		
.....3845-3854½		1023-1025		
Appraised to check against Peninsula lands (Smith)	3767	1002		
.....	3844	1022		
Cahill Ridge lands not comparable	3778	1006		
Compared to Parcel 90.....	3231	857		
.....	3778	1006		
.....	3842	1022		
Compared to Spring Valley property on west slope of Buri Buri Ridge	3844	1022		
Compared to Whitman property	3849-3851	1024		
Comparison of values with Parcel 90 (Smith)....	3768-3769	1003		
General remarks by Smith	3843-3854½	1022-1025		
Graded the same as if it were Spring Valley property (Smith)	3846	1023		
Grading and appraisal by Smith.....	3768-3769	1003		
Not comparable with land on the west side.....	3947	1044		
Residence site has no advantage over Spring Val- ley lands	3963	1049		
Sawyer Ridge lands not comparable	3778	1006		
Trees compared with those on Peninsula lands....	3375-3376	898		
Would be an indication of maximum price of Pen- insula east side lands	3769	1003		
.....	3847	1023		
CATTLE				
About 1000 head ranged by Hayes			3403	905
Inspected, on Calaveras lands February, March and July, 1915 (Hayes).....			3407	906
Number ranged on Mocho by Hayes & Devani....			3405	906
Ranged, over Arroyo Valle, Calaveras and Mocho lands			3401	905
.....			3402	905
Ranged 60,000 head on Mrs. Hearst's ranch in Mexico (Hayes)			3400	905
CENTRAL PUMPING STATION				
Valuation of pipe line, Right of Way, 5c. per square foot (Paschell)	4126	1090		
CHABOT LAND				
Good farming ought to bring good crops on.....			4139	1093
Wickson did not find any indication of alkali on.			4138	1092
CHILCOTT PROPERTY				
Los Altos District, description and location.....	3703	985		
.....	3705	985		
CHILCOTT TO GREENWOOD				
Real estate sale—Los Altos District	3705	985		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
CHURCH TO SHARON				
Real estate sale—Menlo District	3693	981		
.....	3694	982		
.....	3695	982		
CLAFFEY LAND				
All comparable to Rengstorff land	3398	904		
Appraised at 60% of Rengstorff price	3397	904		
Climate not as livable as on Rengstorff land.....	3407	906		
Compared to Santos property.....	3621	962		
Compared to Morsehead land.....	3475-3477	923-924		
Method of valuation (Smith).....	3560	946		
.....	3561	946		
CLAMER TO DREXLER				
Real estate sale—Woodside.....	3680	977		
CLAREMONT COURT				
Houses being erected in.....			3167	836
Sales in			3166	836
CLARK, JEREMIAH ESTATE TO FABER				
Sale of land	3937	1043		
CLARK LAND				
Bought from Hobart—location of.....	3769	1003		
Compared with Spring Valley Peninsula land.....	2333	887		
.....	3334	887		
CLIMATE				
Better at Woodside than in Canada District.....	3636	966		
Description of in the different districts in San				
Mateo and Santa Clara counties.....	3359-3362	894-895		
In Calaveras Valley suitable for fruit growing....			4142	1093
Los Altos District	3634	965		
Peninsula lands	3493	928		
.....	3494	928		
CLIMATIC CONDITIONS				
Buri Buri Ridge, different on east and west side..	3323	885		
..	3326	885		
Conversation on fog with Woodham (Smith).....	3483	925		
Different districts of Canada lands.....	3910	1037		
Fog from San Gregorio to La Honda.....	3486	926		
Frost on the Husing land.....	3395	903		
In and around various San Francisco sub-divisions	4010	1060		
Lake Merced lands and in and around San Fran-				
cisco	4024-4026	1063-1064		
Menlo Park compared with Claffey and Spring				
lands	3394	903		
More livable on the Rengstorff land than the Claf-				
fey lands	3407	906		
On Tract 25, Merced, would prevent availability				
as resort	4024	1063		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
CLIMATIC CONDITIONS—Continued.				
Peninsula lands	3312	882		
.....	3315	883		
.....	3323	885		
.....	3326			
Photographs indicate	3347	890		
Portola has less wind than Peninsula lands.....	3924	1040		
Pretty bad on both sides of Buri Buri and Pulgas Ridges	3944	1044		
Where the changes occur in Woodside District.....	3895	1035		
Wind comparison of Peninsula and Woodside Lands	3776	1005		
Wind conditions at Los Altos described.....	3410	907		
Wind conditions on Fitzhugh's land.....	3409	907		
Wind on Fleishacker land.....	3911	1037		
Wind bent trees not alone an indication of.....	3776	1005		
Would affect the salability of west side of Buri Buri Ridge	3946	1044		
COAST DISTRICT				
Average selling price per acre, \$23.96.....	3771	1003		
Real estate sale—Bernheim to Hoover.....	3719	989		
Brown to Sawyer	3720	989		
Button to Hoover	3718	989		
Byrne-McKee to T. J. Hoover....	3718	989		
Hartmand to Hoover	3719	989		
Martin to Noyes	3720	990		
O'Neil and Connolly to Hoover...	3718	989		
Sawyer to Hoover	3720	989		
Schwartz to Hoover	3719	989		
Shore Line Inv. Co. to Hoover....	3719	989		
Thompson to Smith.....	3719	989		
Waddell Estate to Hoover.....	3718	989		
COMPTE TO FORDERER				
Real estate sale—Woodside	3678	976		
CONNOLLY LAND				
At Portola is more desirable than the Bassetti land	3893	1036		
Compared with Canada land for residential pur- poses	3887	1033		
Compared with Parcel 208 (Bassetti land).....	3265	868		
Compared with portions of Canada lands.....	3903	1036		
Description of (Smith)	3653	969		
.....	3655	970		
.....	3887	1033		
Its value after assembling various purchases (Smith)	3729	992		
Market value greater than Bassetti land (Tuchsen)	3899	1035		
No consideration given as to its retail market value (Smith)	3725	991		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
CONNOLLY LAND—Continued.				
Tuchsen sold twice.....	3887	1033		
Why it is more desirable for residential purposes (Tuchsen)	3898	1035		
CONNOLLY TO SAWYER				
Real estate sale—Woodside District.....	3684	978		
.....	3688	979		
CONNOLLY TO WILSON				
Real estate sale—La Honda	3715	987		
CORRAL HOLLOW LAND				
Grazing lands rented from McLaughlin Co. by Rogge	3058	802		
.....	3060	802		
CORRECTIONS				
In acreages of various parcels of Peninsula lands (Smith)	3301	880		
.....	3302	880		
In regard to Ocean Shore right of way in table of valuations (Martin)	4029	1064		
In regard to values on Parcel 90 (Oliver).....	3973	1052		
In statement of the Master, page 3288.....	3385	901		
In testimony of O. B. Martin	4029	1064		
In value of Parcel 50—Peninsula lands (Smith)...	3224	854		
In values of various parcels of Peninsula lands (Smith)	3301	880		
.....	3302	880		
COUNTRY ESTATES				
Homes limited to average value of \$18,000 (Smith)	3842	1022		
Names of, in La Honda (Smith).....	3378	899		
.....	3379			
Neighborhood has a greater influence than environ- ment in affecting sale of Spring Valley lands for country estates	3829	1019		
Not practicable to place restriction upon sale of....	3815	1016		
On Peninsula fairly well developed	3843	1022		
Peninsular land along Canada Road in direct com- petition with La Honda lands	3560	945		
Peninsula lands, description, etc. (Smith).....	3326	885		
.....	3332	887		
Properties similar to Parcel 40, best for.....	3559	945		
Restrictions detrimental to sale of....	3816-3829	1016-1019		
.....	3831	1019		
.....	3832	1019		
Spring Valley peninsula land best adapted to.....	3833	1020		
COUNTRY ESTATE LANDS				
Comparison, Peninsula, Easton and Woodside dis- tricts	3393	903		
East side of Crystal Springs Lake could not be used for	3947	1044		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
COUNTRY ESTATE LAND—Continued.				
El Cerito, etc., sub-divisions are no criterion of the values of Peninsula lands.....	3762	1000		
How the Peninsula lands would have to be sub-divided	3779	1006		
.....	3780	1007		
.....	3782	1007		
Improvements average about \$18,000.....	3781	1007		
No comparison between Woodside and Spring Valley lands	3948	1045		
Peninsula and Waddell Creek lands compared.....	3462	920		
Pilareitos Canyon land worth 10 times as much as Waddell Creek	3469	922		
University Realty Co. handled nearly all the sales of, in San Mateo and Santa Clara counties.....	3761	1000		
Waddell Creek and Peninsula lands compared.....	3462	920		
CROCKER LAND				
Bought at the retail market value.....	3725	990		
Including all purchases average price per acre \$81..	3718	989		
La Honda average price about \$45 an acre.....	3715	987		
La Honda, description of (Smith).....	3715	987		
CRYSTAL SPRINGS LAND				
Method of valuing Parcel 40 (Smith).....	3557	945		
CUYMOS RANCH				
Sale to State of California.....	3967	1050		
DEFENDANT'S EXHIBIT 82				
Map showing gradations and appraisals of Carolan lands	3768	1003		
DE GUIGNE LAND				
Reached by Half Moon Bay road.....	3460	919		
DEPRECIATION				
Of values of Spring Valley Peninsula lands; reasons for (Smith)	3808	1013		
.....	3809	1014		
DESCRIPTION				
Detailed, of Peninsula lands (Smith).....	3242	860		
.....	3271	869		
Of Lake Merced lands, Parcels 1 to 18 (Paschell).4081-4089	1077-1079			
Of various parcels of Lake Merced lands (Martin).3989-4000	1054-1058			
DEVANI, GEO.				
Hayes' partner, attends to their California business			3405	906
Hayes' partner, went with him to Arroyo Mocho last March			3404	906
DEVELOPMENT				
Along State Highway.....	4002	1058		
Cost of, Lake Merced lands (Martin).....	4027	1064		
(Paschell).....	4105	1084		
.....	4107	1084		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
DEVELOPMENT—Continued.				
General remarks on by Paschell.....	4100	1083		
.....	4101	1083		
Residential, possible (Paschell).....	4091	1080		
.....	4092	1080		
DIAMOND PURCHASE				
Sale price about \$350 per acre (Smith).....	3658	970		
DIXON TO LIEBES				
Real estate sale—La Honda.....	3718	988		
DIXON TO SANTOS				
Real estate sale—Woodside District.....	3585	952		
.....	3690	980		
DIXON TO SHARON				
Real estate sale—Woodside.....	3678	976		
DOMINICAN COLLEGE TO QUINN				
Real estate sale—Los Altos.....	3713	986		
DOYLE vs. SOUTHERN PACIFIC CO.				
Suit to condemn right of way.....	3629½	964		
DRAINAGE				
Calaveras Valley			4145-4147	1094-1095
DREDGING				
Amount done in 24 hours.....	3934	1042		
Cost of, on Faber's land.....	3932	1041		
.....	3934	1042		
DREXLER PROPERTY				
Woodside, description	3681	977		
DUGAN TO SHARON				
Real estate sale—Menlo District.....	3697	983		
EASEMENTS				
For pipe lines, Lake Merced land.....	4126-4128	1090		
EL CERITO LAND				
Reduction of prices.....	3968	1050		
ELKINS LAND				
Is a very windy place.....	3373	898		
ENGINEERS				
Arbitrators called off by Supervisors.....	3983	1053		
List of names of proposed arbitrators submitted by Spring Valley Water Co.			3706-3712	986
EXHIBITS				
Plaintiff's No. 45 Map showing sub-divisions of Merced lands by McDuffie for valuation purposes			3075	807
Plaintiff's No. 46 Tabulation of valuation of Lake Merced properties by Duncan McDuffie			3107	818
Defendant's No. 47 Tabulation of valuation of Peninsula lands by Norwood B. Smith	3195	843		

INDEX

		Defendant		Plaintiff	
EXHIBITS—Continued.		Record	Abstract	Record	Abstract
Defendant's No. 48	Books of photographs Spring Valley lands, San Mateo County (Peninsula lands) Norwood B. Smith	3280	872		
Defendant's No. 49	Tabulation of valuation of miscellaneous lots and land in northern part of San Mateo County by Norwood B. Smith.	3612	960		
Plaintiff's No. 50	Introduced—Photograph 26 ...			3350	891
Plaintiff's No. 51	Introduced—Photograph 28 ...			3351	891
Plaintiff's No. 52	Introduced—Photograph 4 ...			3351	891
Plaintiff's No. 53	Introduced—Photograph 3 ...			3352	892
Plaintiff's No. 54	Introduced—Photograph 29 ...			3352	892
Plaintiff's No. 55	Introduced—Photograph 11 ...			3352	892
Plaintiff's No. 55	Comparison with page 1—book of photographs.....			3410	907
Plaintiff's No. 56	Introduced—Photograph 17 ...			3352	892
Plaintiff's No. 57	Introduced—Photograph 23 ...			3353	892
Plaintiff's No. 58	Introduced—Photograph 7 ...			3353	892
Plaintiff's No. 59	Introduced—Photograph 36 ...			3353	892
Plaintiff's No. 60	Introduced—Photograph 20 ...			3354	892
Plaintiff's No. 61	Introduced—Photograph 14 ...			3354	892
Plaintiff's No. 62	Introduced—Photograph 16 ...			3354	893
Plaintiff's No. 63	Introduced—Photograph 18 ...			3355	893
Plaintiff's No. 64	Introduced—Photograph 38 ...			3355	893
Plaintiff's No. 65	Introduced—Photograph 19 ...			3355	893
Plaintiff's No. 66	Introduced—Photograph 22 ...			3356	893
Plaintiff's No. 67	Introduced—Photograph 32 ...			3356	893
Plaintiff's No. 68	Introduced—Photograph 9 ...			3356	893
Plaintiff's No. 69	Introduced—Photograph 31 ...			3356	893
Plaintiff's No. 70	Introduced—Photograph 41 ...			3495	928
Plaintiff's No. 71	Introduced—Photograph 40 ...			3496	928
Plaintiff's No. 72	Introduced—Photograph 59 ...			3497	928
Plaintiff's No. 73	Introduced—Photograph 71 ...			3618	961
Plaintiff's No. 74	Introduced—Photograph 71 ...			3618	961
Plaintiff's No. 75	Introduced—Photograph 72 ...			3618	961
Plaintiff's No. 76	Introduced—Photograph 73 ...			3618	961
Plaintiff's No. 77	Introduced—Photograph 74 ...			3619	961
Plaintiff's No. 78	Introduced—Photograph 75 ...			3619	961
Plaintiff's No. 79	Introduced—Photograph 76 ...			3619	961
Plaintiff's No. 80	Introduced—Photograph 77 ...			3619	962
Defendant's No. 81	Photograph of Connolly property taken from Fitzhugh property	3656	970		
Defendant's No. 82	Map showing grades and appraisals on Carolan Tract.....	3768	1003		
Defendant's No. 83	Photograph showing Hobart property	3788	1009		

INDEX

		Defendant		Plaintiff	
		Record	Abstract	Record	Abstract
EXHIBITS—Continued					
Defendant's No. 84	Tabulation showing segregation of Spring Valley parcels with percentages added for lands lying within segregation	3790	1010		
Defendant's No. 84a	Photograph of Husing property	3793	1010		
Defendant's No. 85	Photograph of Husing property	3794	1010		
Defendant's No. 86	Photograph of Husing property	3794	1010		
Defendant's No. 87	Martin's tabulation of Merced property values	4008	1060		
Defendant's No. 88	Paschell map, showing comparative data for Lake Merced lands	4077	1076		
Defendant's No. 89	Paschell map, showing comparative data for Lake Merced lands	4077	1076		
Defendant's No. 90	Paschell list, showing principal and a great many minor subdivisions in San Francisco since 1900	4078	1076		
Defendant's No. 91	Paschell map, showing gradations and prices of Lake Merced lands	4079	1077		
Defendant's No. 92	Paschell tabulation of valuations of Lake Merced lands...	4081	1077		
Defendant's No. 93	Map showing property included in condemnation suit filed December, 1913	4116	1086		
Defendant's No. 94	Paschell tabulation of values of lands to be taken under condemnation suit, Lake Merced Ranch	4117	1086		
FABER LAND					
	Dredging cost of, on land.....	3932	1041		
	.....	3934	1042		
	Location of	3913	1038		
	Purchase price of 800 acres was \$137,500.....	3914	1038		
	Reclamation, cost of	3921	1039		
	.....	3926	1040		
	San Francisquito Creek diversion.....	3920			
	.....	3921	1039		
	Three hundred acres were marsh lands when purchased	3913	1038		
	Was used for dairying and farming purposes.....	3939	1043		
	Was worth \$200 an acre when purchased.....	3939	1043		

INDEX

	Defendant	Plaintiff
Record	Abstract	Record Abstract
FABER, PETER		
Description of Peninsula lands prior to formation		
of the lakes	3924	
.....	3925	1040
Different places where he resided.....	3922	1039
Direct examination	3913-3925	1038-1040
Cross examination	3925-3939	1040-1043
Portola has less wind and fog than Peninsula.....	3024	1040
Qualifications	3913	1038
Sought 10,000 acres of marsh land to reclaim.....	3918	1038
FABER TO GREENWOOD		
Real estate sale—Woodside District.....	3680	977
.....	3681	977
FABER TO LAW		
Real estate sale—Woodside.....	3657	970
FABER TO NOYES		
Real estate sale—Woodside District.....	3685	978
FABER TO SAWYER		
Real estate sale—Woodside District.....	3682	977
FACTORY SITES		
Redwood City \$1000 per acre asked.....	3527	937
South San Francisco land, high land along railroad track, more valuable for factory sites than Spring Valley land	3532	938
South San Francisco land best adapted for.....	3529	937
FAMILY CLUB PURCHASE		
Price paid \$500 per acre.....	3658	970
FANCIOLA LAND		
Sale to Reghetti.....	3210	849
FARMING		
General remarks by Wickson.....		4151 1097
.....		4152
FAUSTINO LAND		
Compared to Parcel 138, Peninsula land.....	3244	861
FAUSTINO PURCHASE		
Conditions of	3246	862
.....	3250	862
FEDERAL LAWS		
Regarding the damming of navigable streams.....	3919	1039
FEED		
On Alameda Creek, grazing lands.....	3053	801
Quality on Oak Ridge.....	3053	801
.....	3054	
Better on Calaveras lands than Mocho.....		3401 905
FLEISHACKER'S LAND		
Location of the barn.....	3911	1037
FINKLER LAND		
Compared with Peninsula land Parcel 202.....	3258	866

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
FIR TREES				
Compared with redwood trees.....	3345			
.....	3346	890		
FITZHUGH PROPERTY				
Compared to Burke land.....	3478-3481	924-925		
Compared to Peninsula lands.....	3580	951		
Wind conditions described.....	3409	907		
FOG				
Discussed with Mr. Woodhams.....	3483	925		
Extent of, at La Honda and San Gregorio.....	3380			
.....	3381	900		
From San Gregorio to La Honda.....	3486	926		
Portola has less fog than Spring Valley Peninsula lands	3024	1040		
FORBES INTEREST				
In Merced Ranch.....	4111	1086		
FOREST HILL TRACT				
Sales			3166	836
Resale \$3000 per acre (Martin).....	3989	1054		
FRUITS				
Are successfully grown in Calaveras Valley.....			4140	1093
Can be grown in Calaveras Valley (Wickson).....			4148	1095
Climate in Calaveras Valley suitable for growing (Wickson)			4142	1093
Growing in, various parts of California.....			4149	1096
.....			4150	
GALLAGHER, MR.				
Leases Arroyo Mocho land to Hayes & Devani.....			3405	906
GAMBLE PROPERTY				
Los Altos District, description and location.....	3698	983		
.....	3700	983		
GAME PRESERVES				
Peninsula lands, might be disposed of for that pur- pose	3860-3862	1026-1027		
GANNON TO CHILCOTT				
Real estate sale—Los Altos District.....	3703	985		
GINGG, MR.				
Official of Savings Union Bank of San Francisco..	3714	986		
GINGG TO EBENETER				
Real estate sale—Woodside.....	3688	979		
GINGG TO HYDE				
Real estate sale—Woodside District.....	3686	979		
GOLDSMITH TO PATTON				
Real estate sale—Los Altos District.....	3705	985		
GRAINGER LAND				
Amount cleared when sold by Scarpas.....	3761	1000		
Appraised by Smith	3836	1021		
.....	3737			

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
GRAINGER LAND—Continued.				
Bought from Scarpas.....	3202	845		
Compared with Spring Valley Peninsula lands.....	3240	860		
.....	3241			
Description and valuation.....	3320	884		
Worth 80% or 100% more in connection with Spring Valley property	3838	1021		
GRASS				
Good crop not produced every year on Mocho lands owing to lack of rainfall.....			3401	905
GRAVES PROPERTY				
Compares with best of Spring Valley land.....	3659	971		
GRAZING LANDS				
In Calaveras Valley rented from Spring Valley Water Co. by Rogge	3055	801		
.....	3058	802		
.....	3060	802		
.....	3061	802		
In Corral Hollow rented from McLaughlin by Rogge	3058	802		
.....	3060	802		
Number of cattle Calaveras Valley lands will carry	3054	801		
.....	3055	801		
Rental value, quality of feed, etc.....	3052	800		
.....	3062	803		
Calaveras superior to Mocho.....			3401	905
Leased by Hayes & Devani in Arroyo Mocho from Gallagher			3405	906
GREAT HIGHWAY				
Class of buildings.....			3171	837
.....			3172	838
GREEN PROPERTY				
Compared with Burke Tract.....	3660	971		
Green Leopold property, as good as Parcel 1, Lake Merced			3990	1054
GREENWOOD PROPERTY				
Description—Woodside District	3683	978		
GREENWOOD TO CONNOLLY				
Real estate sale—Woodside District.....	3683	978		
GREENWOOD TO FITZHUGH				
Real estate sale—Woodside District.....	3685	978		
GREENWOOD TO HOOKER & LENT				
Real estate sale—Woodside District.....	3681	977		
GREENWOOD TO LAW				
Real estate sale—Woodside.....	3679	976		
GREENWOOD TO SNEIDER				
Real estate sale—Menlo District.....	3695	982		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
HALE LAND				
Has the most valuable location in Woodside.....	3893	1034		
Location of	3893	1034		
HALE TO MEYERSTEIN				
Real estate sale—Woodside District.....	3665	972		
.....	3893	1034		
HALF MOON BAY ROAD				
Back door to estate properties.....	3459	919		
Considered an attractive drive.....	3461	920		
HALLIDAY LAND				
Referred to as the Morsehead land.....	3475	923		
HALLIDAY TO SHARON				
Real estate sale—Woodside.....	3678	976		
HANSON TO HILL				
Real estate sale—Los Altos District.....	3700	984		
HARBOR COMPANY LAND				
Redwood City District, sale to Grecco Salt Works...	3527	937		
HARTMAND TO HOOVER				
Real estate sale—Coast District.....	3719	989		
HATFIELD TO CONNOLLY				
Real estate sale—Woodside.....	3653	969		
.....	3683	977		
HAYES, JOHN C.				
Calaveras lands considered better than Mocho lands for grazing			3401	905
Calaveras has more rainfall and springs than Mocho			3406	906
Calaveras lands have better feed, more water than Mocho			3401	905
Calaveras lands visited this year.....			3402	905
.....			3404	905
California business attended to by his partner, Geo. Devani			3405	906
Mendenhall Springs are located in Mocho country..			3406	906
Names of those with him to Calaveras this year....			3402	905
No knowledge of how many springs on Mocho lands			3406	906
Qualifications			3400	905
Trips to Calaveras this year.....			3402-3404	905
Visited Arroyo Mocho last March with his partner, Geo. Devani			3404	906
Visited Calaveras February, March and July, 1915.			3407	906
Direct examination			3400	904
Cross examination			3402	905
Re-direct examination			3407	906
HEWLETT LAND				
Good farming ought to bring crops on.....			4139	1093
Wickson did not find any indications of alkali.....			4138	1092
HILL, HORACE L.				
Real estate sale—Los Altos District.....	3631	964		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
HILL FROM BARIOHLET				
Los Altos, real estate sales by Smith.....	3637	966		
.....	3641	967		
HILL, HORACE L. PLACE				
Accessibility (Smith)	3673	974		
Compared with various parcels of Peninsula lands				
(Smith)	3632	965		
.....	3635	965		
Description of (Smith).....	3632	965		
HILL PROPERTY				
Los Altos, compared with Burke property (Smith). .	3641	967		
HILLSBORO LAND				
Comparison of value with Los Altos land (Oliver) ..	3974	1052		
Not comparable with Los Altos as to livable condi-				
tions (Oliver)	3964	1049		
Prices would not influence the value of Spring				
Valley Water Co. lands (Oliver).....	3965	1050		
Real estate sale—Borel to James (Smith).....	3665	972		
Trees wind blown (Smith).....	3777	1006		
.....	3859	1026		
Values are inflated (Oliver).....	3966	1050		
Would sell for ten times more than Los Altos land				
(Oliver)	3964	1049		
HILL TO SNIDER				
Real estate sale—La Honda (Smith).....	3717	988		
HOBART PROPERTY				
San Mateo—Sale to Clarke (Smith).....	3522	936		
HOLBERTON LAND				
Purchased from Allis-Chalmers. Value, (Smith)...	3260	866		
HOMES				
On country estates limited to \$18,000 (Smith).....	3842	1022		
HOOPER, CONNOLLY & BEATTY TO TACOMA LAND CO.				
Re-sale, La Honda (Smith).....	3716	988		
HOOPER LAND				
Compared with Canada lands (Spring Valley Water				
Co.) for residential purposes (Tuchsen).....	3886	1033		
More attractive than Bassetti property at Wood-				
side (Smith)	3662	971		
More desirable than the Canada lands (Tuchsen)...	3905	1037		
More than zephyrs blow at times (Tuchsen).....	3912	1037		
Woodside district notorious for dryness (Smith)...	3662	971		
HOOPER TO MADDEN				
Sale of land (Tuchsen)	3885	1033		
HOPKINS PROPERTY				
Palo Alto re-subdivided and sold.....	3835	1020		
HOOVER LANDS				
Comparable to Parcel 5-2 Peninsula lands (Smith) ..	3871	1029		
Value under one ownership (Smith).....	3727	991		
Value before and after purchase (Smith).....	3723	991		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
HOPKINS PROPERTY				
Palo Alto re-subdivided and sold.....	3835	1020		
HORTICULTURE				
Calaveras Valley adapted to (Wickson).....			4150	1096
HOWARD ESTATE				
Black Mountain for sale (Smith).....	3516	934		
HURRICANES				
Affected the trees on Spring Valley lands (Smith). .	3367	896		
HUSING LAND				
Appraisal made prior to sale (Smith).....	3434	913		
Discussion of purchase and sale price with Husing (Smith)	3435-3437	913		
Photographic description by Smith.....	3792-3794	1010		
Very attractive piece of property (Smith).....	3863	1027		
Very much superior to parcels on either side (Smith)	3438	913		
IMPROVEMENTS				
On Peninsula lands of Spring Valley considered in valuation (Smith)	3813	1015		
INDUSTRIAL DEVELOPMENT				
Merced lands (McDuffie).....			3163	835
.....			3164	
INGLESIDE TERRACE				
Sales (McDuffie)			3160	834
JENKINS TO GINGG				
Real estate sales—Los Altos District (Smith).....	3462	967		
.....	3713	986		
JENKINS TO LEONARD				
Real estate sale Los Altos (Fruit land).....	3713	986		
KELLY TO DIXON				
Real estate sales—Woodside Ridge (Smith).....	3690	980		
KELLY TO PATTON				
Real estate sales—Woodside (Smith).....	3679	976		
KNEEDLER LAND				
Virgin redwoods on Mendago Creek (Smith).....	3715	987		
KNEEDLER TO CONNOLLY				
Sale—La Honda (Smith).....	3714	987		
KNOF LAND				
Sale to Spring Valley Water Co. by Tuchsén.....	3883	1032		
Walnuts can be grown on portions of it (Tuchsén). .	3886	1033		
KOHL LAND				
Advantages of its location (Smith).....	3762	1001		
Comparison of value with Peninsula lands (Smith)	3762	1001		
Not as windy as Peninsula lands (Smith).....	3374	898		
Only visited once (Oliver).....	3970	1051		
KRIS TO MALONEY				
Sale of land (Tuchsén).....	3887	1033		
LA HONDA DISTRICT				
Average selling price per acre \$37 (Smith).....	3771	1003		
.....	3801	1012		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
LA HONDA DISTRICT—Continued.				
Comparison, Crocker and Pope lands (Smith).....	3715	987		
Description Judge Fitzpatrick land (Smith).....	3717	988		
Less tare, compared with west side Peninsula lands (Smith)	3774	1005		
Re-sale Hooper, Connolly & Beatty to Tacoma Land Co. (Smith)	3716	988		
Sale Ackerman to Pope (Smith).....	3714	987		
Sale Baker to Schilling (Smith).....	3717	988		
Sale Connolly to Wilson (Smith).....	3715	987		
Sale Dixon to Liebes (Smith).....	3718	988		
Sale Hill to Snider (Smith).....	3717	988		
Sale Kneeder to Connolly (Smith).....	3714	987		
Sale Mars to Connolly (Smith).....	3715	987		
Sale O'Connor to Fitzpatrick (Smith).....	3716	988		
Sale Ralston Estate to Knepe (Smith).....	3714	986		
Sale Rodgers to Wilson (Smith).....	3716	987		
Sale Tacoma Land Co. to Clarence Hayward (Smith)	3718	988		
Sale Tacoma Land Co. to Peters (Smith).....	3718	988		
Sale Tacoma Land Co. to Smith (Smith).....	3717	988		
Sale Tacoma Land Co. to Snider (Smith).....	3717	988		
Sale Tacoma Land Co. to Wilson, as Trustee (Smith)	3717	988		
Sale Tacoma Land Co. and Fitzpatrick to Hill (Smith)	3717	988		
Sale Tacoma Mill Co. to Hooper, Connolly & Beatty (Smith)	3715	987		
Sale Woodhams to Pope (Smith).....	3714	987		
Sales (Smith)	3189	841		
.....	3191	842		
Tacoma Land Co. property sub-divided and sold by Smith	3835	1020		
Wilson land actually bought for Mrs. Crocker (Smith)	3716	988		
LA HONDA LANDS				
Average value \$57.60, good check on value of Parcel 5-2 (Peninsula lands) (Smith).....	3802	1012		
Affected by draughts (Smith).....	3395	903		
Comparable to Parcel 5-2 (Smith).....	3871	1029		
Compared with Peninsula lands (Smith).....	3189	841		
.....	3190			
.....	3200	845		
.....	3377			
.....	3378	899		
.....	3336	888		
.....	3335	887		
Comparison of various parcels with various parcels of Peninsula lands (Smith).....	3561	946		
.....	3570	948		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
LA HONDA LANDS—Continued.				
Country estates located there (Smith).....	3378			
.....	3379	899		
Fog, conversation with Woodhams (Smith).....	3483	925		
Liebes paid \$3000 for 22.17 acres (Smith).....	3558	945		
Needler to Connolly—sale (Smith).....	3658	970		
Parcel 40 (Crystal Springs) compared with Liebes and Pope lands (Smith).....	3559	945		
Pope paid \$56,421 for 666.8 acres (Smith).....	3558	945		
LAKE MERCED LANDS				
Advantages and disadvantages of railroad.....			3162	835
.....			3163	
Basis of valuation of parcels 10 to 17 (McDuffie)..			3161	834
..			3162	835
Best adapted for residential purposes (Paschell)... 4074	1075			
Boating and bathing privileges (McDuffie).....			3106	818
.....			3112	820
Boulevard possibilities			3152	831
.....			3153	832
Boulevard on Parcel 23 (McDuffie).....			3148	830
.....			3150	831
Character of, at present time (McDuffie).....			3067	803
.....			3068	804
Climatic conditions (Martin).....4024-4026	1063-1064			
Commercial value of lakes (McDuffie).....			3173	
Compared with Balboa Terrace as to value (McDuffie)			3080	808
.....			3081	809
Compared with Parkside Co. land as to value (McDuffie)			3080	808
Compared with St. Francis Wood (McDuffie).....			3151	831
Comparison of cost of development with St. Francis Wood (McDuffie)			3121	822
.....			3122	823
Comparison of Parcels 2, 4 and 6 with Residential Development Co. sales (McDuffie).....			3158	833
Comparison of valuations Parcels 18 and 21 (Mc- Duffie)			3096	815
Comparison of valuations Parcels 22 and 24 (Mc- Duffie)			3098	816
Cost of development (Paschell).....4105-4107	1084			
Cost of development on sub-divisions adjacent to (Martin)	4027	1064		
Description of (McDuffie).....			3069-3071	804-806
.....			3072	
Description of Parcel No. 9 (McDuffie).....			3156	833
Description of various parcels (Martin).....3989-4000	1054-1058			
Description Parcels 1 to 18 (Paschell).....4081-4089	1077-1079			

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
LAKE MERCED LANDS—Continued.				
Detailed description of Parcel 1 (McDuffie).....			3078	807
.....			3079	808
Detailed description of Parcel 2 (McDuffie).....			3079	808
.....			3080	
.....			3081	809
Development by boulevards and streets (McDuffie).....			3150	831
.....			3151	
Development cost, compared with St. Francis Wood (McDuffie)			3121	822
.....			3122	823
Development along State Highway (Martin).....	4002	1058		
Development, cost of	4105-4107	1084		
Difference in values of parcels on east and west side of lake (McDuffie)			3156	833
Divided into four classes of values (McDuffie)....			3074	806
.....			3076	807
Easements for pipe lines (Paschell).....	4126-4128	1090		
Elements of value (McDuffie).....			3159	834
Factors used in appraisal by Paschell.....	4078-4080	1076-1077		
Forbes' interest in (Paschell)	4111	1086		
Industrial development (McDuffie)			3163	835
.....			3164	
Industrial development in southerly portion would be detrimental to sale of northern portion for high grade residence tracts (Martin)	4003	1058		
Lakes add to value as a real estate proposition (Mc- Duffie)			3099	816
Lakes have no real estate value by themselves (Paschell)	4129	1091		
Lakes treated as scenic proposition in appraisal (Martin)	4006	1059		
Length of time it would take to populate (Paschell)	4098	1082		
Length of time required to sub-divide and sell at retail (McDuffie)			3181	839
List of real estate sales used in valuation by Paschell	4109-4111	1085-1086		
Lower portion could be sold to people of moderate means (Martin)	4037	1066		
.....	4038	1066		
Martin, knows nothing as to value of lakes for water supply purposes	4008	1060		
Martin, not prejudiced against locality.....	4067	1073		
Martin, would not sub-divide parcels as they are now sub-divided	4038	1066		
.....	4039	1067		
Martin would use 6 to 1 method in sub-dividing and development	4040-4042	1067		

INDEX

LAKE MERCED LANDS—Continued.	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
Martin, method of appraisal	3988-3992	1054		
Martin, method of appraising Parcels 18, 19, 20, 23, 25	4002	1058		
Martin, method of arriving at cash value	4004	1059		
Martin, method of arriving at value.....	4014-4017	1061-1062		
.....	4044-4065	1067-1073		
Method of appraisal (McDuffie).....			3131-3135	825-826
Method of appraisal of Parcel 23 (McDuffie)....			3148	830
Method of valuation (McDuffie)			3076	807
.....			3077	
.....			3105-3107	817-818
Method of valuation (Paschell)			4081-4090	1077-1080
.....			4115-4135	1086-1092
Method of valuing land on the shore (McDuffie)..			3109	819
Most valuable land in various parcels (McDuffie)..			3152	831
No difference in value in San Francisco County or San Mateo County (McDuffie)			3165	836
.....			3166	
Ocean View Park used as comparison (Martin)....	4032	1065		
Parcel 1 not as good as Leopold Green property for commercial purposes (Martin)	3990	1054		
Parcel 1, detailed description (McDuffie)			3078	807
.....			3079	808
Parcel 2, compared with Chas. Sutro Tract as to value (McDuffie)			3143	829
Detailed description (McDuffie).....			3079	808
.....			3081	809
Valuation (McDuffie)			3080	808
Parcel 6, 90% uniform slope (McDuffie).....			3144	829
Value per acre as a whole \$2250 (McDuffie)....			3145	829
Parcel 7, value (McDuffie)			3146	830
Parcel 9, description (McDuffie).....			3156	833
Parcels 10 to 17, basis of valuation (McDuffie)...			3161	834
.....			3162	835
Parcels 18, 19, 20, 23, 25, method of valuation (Martin)	4002	1058		
Could not be developed as high grade residence tract (Martin)	4001	1058		
Parcel 23, developed by boulevard (McDuffie).....			3148	830
.....			3150	831
Less than one-fifth cliff (McDuffie).....			3147	830
Method of appraisal (McDuffie).....			3148	830
Parcel "C" available as pleasure resort (McDuffie)			3168	836
.....			3170	837
Description (McDuffie)			3168	836
.....			3169	837
Transportation (McDuffie)			3170	837
.....			3171	

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
LAKE MERCED LANDS—Continued.				
Parkside used as basis of value for Merced land opposite (Martin)	4042	1067		
Paschell method of valuation	4081	1077		
.....	4090	1080		
.....	4115-4135	1086-1092		
Populate, time it would take to (Paschell).....	4098	1082		
Portion suitable for industrial development (McDuffie)			3067	803
Portion suitable for recreation park (McDuffie)..			3067	803
Portion suitable for retail business (McDuffie).....			3067	803
Possible sale of, advantages and disadvantages, reasons, etc. (Martin)	4004-4006	1059		
Public utility conveniences (McDuffie).....			3074	806
Real estate sales used in valuation (Paschell).....	4109-4111	1085-1086		
Remarks regarding 5 foot strip around lakes (Paschell)	4132	1091		
Residential development	4091	1080		
Residential Development Co.'s property compared with	4102	1083		
.....	4092	1080		
Restrictions on (Martin)	4064-4066	1072-1073		
St. Francis Wood purchase no indication of value of adjoining property (Martin)	4003	1059		
Southerly portion too remote from transportation, etc., for industrial purposes. Might be used as a lumber yard (Martin)	3993	1055		
Southern end should be developed without restrictions (Martin)	3992	1055		
Sub-division and sale, time required for (McDuffie)			3181	839
Sub-division and settlement (McDuffie).....			3180	839
Thirty years to dispose of property north of lake (Paschell)	4094	1081		
Time it would take a syndicate to sell in large sub-division (Martin)	4006	1059		
Topographic description and comparisons (McDuffie)			3144-3154	829-832
Topography (McDuffie)			3071	805
.....			3072	806
Total acreage and valuation by Paschell.....	4088	1079		
Total value of, by Martin.....	3988	1054		
Tract 25 not available for resort on account of climatic conditions (Martin)	4024	1063		
Tract "A" highest class residence section (McDuffie)			3076	807
Transportation facilities (McDuffie)			3072	806
.....			3074	807
Transportation on completion of tunnel (Martin)..	4023	1063		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
LAKE MERCED LANDS—Continued.				
Twin Peaks Tunnel and other developments have bearing on value (Martin)	4018	1062		
Valuable for residential purposes in the main (McDuffie)			3067	803
Valuations, including and excluding lakes (McDuffie)			3104	817
Valuations influenced by adjacent sales (McDuffie)			3117	821
Valuation, method of (Martin)	4017-4022	1062-1063		
	4045-4064	1068-1072		
Valuation Parcel 2 (McDuffie)			3080	808
Valuation of parcels by Paschell.....	4081-4089	1077-1079		
Valuation of pipe line, Central Pump Station, 5c. per square foot (Paschell)	4126	1090		
Valuation of various parcels by Martin.....	3989-4000	1054-1058		
Valuation of various parcels (McDuffie).....			3076-3095	807-814
Value increased by boating and bathing privileges (McDuffie)			3106	818
Value of boating and bathing privileges (McDuffie)			3112	820
Value, Parcel No. 1 (McDuffie).....			3078	807
			3079	808
Values, Parcels 2, 4, 6 (McDuffie).....			3158	833
			3159	
Value of Parcel No. 6, \$2250 an acre, as a whole (McDuffie)			3145	829
Value of Parcel No. 7 (McDuffie).....			3146	830
LAKES (MERCED)				
Martin knows nothing as to their value for water supply purposes	4008	1060		
Treated as scenic proposition (Martin).....	4006	1059		
LAKE VIEW				
Could not say how much it added to value of each parcel (Smith)	3746	996		
How it added to valuation of various parcels (Smith)	3734-3745	994-996		
Influenced the value on various parcels (Oliver)....	3952	1047		
Land valued at \$600 per acre (Smith).....	3752	998		
Woodside entered into several sales (Smith).....	3751	998		
LANGLEY TO NOYES				
Sale—Woodside Ridge (Smith)	3691	981		
LAW LAND				
Purchased of Rengstorff (Smith)	3396	904		
Leonard, Jos. H., offer to purchase Sutro land (McDuffie)			3084	809
LEVEES				
Cost to put on Faber's land	3926	1040		
Proper dimensions of (Faber)	3933	1042		

INDEX

	Defendant	Plaintiff
	Record	Abstract
	Record	Abstract

LIEBES

Paid \$3000 for 22.17 acres of La Honda lands (Smith)	3558	945
---	------	-----

LINEHAN LAND

Valuation as pocketed land explained (Smith)....	3432	912
--	------	-----

LOCKE TO ABRAMS

Sale—Los Altos District (Smith)	3705	985
---------------------------------------	------	-----

LOS ALTOS DISTRICT

Accessibility to Horace Hill property (Smith).....	3673	974
--	------	-----

Average selling price per acre \$147 (Smith).....	3771	1003
---	------	------

Burke property compared with Smith property (Smith)	3641	967
---	------	-----

Chilcott property—description and location (Smith)	3703	985
	3705	

Climate (Smith)	3634	965
-----------------------	------	-----

Gamble property—description and location (Smith)	3698	983
	3699	
	3700	

Hill, Horace, place described (Smith)	3632	965
---	------	-----

Hill place compared with various parcels of Peninsula lands (Smith)	3632	965
	3635	

Sale—Bachelder to Gamble (Smith)	3698	983
--	------	-----

Sales—Bariolet to Hill (Smith)	3637	966
	3641	967
	3700	984

Sale—Bordieux to Chilcott (Smith)	3702	984
---	------	-----

Sale—Brown to Dixon (Smith)	3698	983
-----------------------------------	------	-----

Sale—Chilcott to Greenwood (Smith)	3705	985
--	------	-----

Sale—Dominican College to Quinn (Smith)	3713	986
---	------	-----

Sale—Gannon to Chilcott (Smith)	3703	985
---------------------------------------	------	-----

Sale—Goldsmith to Patton (Smith)	3705	985
--	------	-----

Sale—Hanson to Hill (Smith)	3700	984
-----------------------------------	------	-----

Sale—Jenkins to Gingg (Smith)	3642	967
	3713	986

Sale—Jenkins to Leonard (Smith)	3713	986
---------------------------------------	------	-----

Sale—Locke to Abrams (Smith)	3705	985
------------------------------------	------	-----

Sale—Lucke to Sayer (Smith).....	3701	984
----------------------------------	------	-----

Sales—Ober to Griffith (Smith)	3698	983
--------------------------------------	------	-----

Sale—Patton to Faber (Smith)	3713	986
------------------------------------	------	-----

Sale—Sanborn to Hill (Smith)	3701	984
------------------------------------	------	-----

Sale—Sawyer to Turner (Smith)	3700	984
-------------------------------------	------	-----

Sale—Smith to Hill (Smith)	3702	984
----------------------------------	------	-----

Sale—Smith to Horace Hill (Smith)	3631	964
---	------	-----

Sale—Wright to Dixon (Smith)	3700	984
------------------------------------	------	-----

Smith, sales made by	3698	983
	3705½	985

Wind conditions described (Smith)	3410	907
---	------	-----

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
LOS ALTOS LAND				
Comparison of values with Hillsboro land (Oliver)	3974	1052		
Hillsboro lands not comparable as to livable conditions (Oliver)	3964	1049		
LUCKE TO SAWYER				
Sale—Los Altos District (Smith)	3701	984		
LYNCH LAND				
San Mateo—sale to Hooker & Lent.....	3513	933		
LYNCH TO HOOKER & LENT				
Sale—Woodside (Smith)	3688	979		
MADDEN LAND				
Has a walnut orchard (Tuchsen)	3886	1033		
Location of (Tuchsen)	3886	1033		
Not reached by a public road (Tuchsen).....	3901	1036		
Purchase price \$275 an acre in 1911 or 1912 (Tuchsen)	3901	1036		
When bought had no building site on it (Tuchsen)	3901	1036		
MALONEY'S HILL				
Known as Ox Hill by Mr. Lawrence (Smith).....	3201	845		
MALONEY TO CONNOLLY				
Sale of land (Tuchsen)	3887	1033		
MARCHAND LAND				
Described as low grade property (Smith)	3426	911		
Purpose of referring to sale price (Smith)	3430	912		
Valuation compared with Burke land (Smith)	3427	911		
MARINE VIEW				
Element of value for residential property (McDuffie)			3155	832
.....			3156	833
From various tracts in vicinity of Merced lands (McDuffie)			3155	832
MARKET VALUES				
Are the same even if land is in one ownership.....	3722	990		
Connolly land has more value than Bassetti land (Tuchsen)	3899	1035		
Crocker land bought at retail rate (Smith).....	3725	990		
Defined by Smith	3722-3723	990		
Differ on large and small holdings (Smith).....	3722	990		
Peninsula lands have a market value of \$1,600,000 (Smith)	3490	927		
Small and large acreages compared	3728	991		
Valuations given are not as of December 31, 1913, (Oliver)	3953	1047		
Were paid for Waddell Creek lands (Smith).....	3721	990		
Will include the cost of physical structures (Smith)	3754	999		
MARSH LAND				
About 20 acres per year reclaimed by Faber.....	3921	1039		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
MARSH LAND—Continued.				
Comparison of Faber and Spring Valley Water Co. lands	3914	1038		
.....	3919	1039		
.....	3920			
Costs \$50 an acre to reclaim.....	3921	1039		
Faber sought 10,000 acres to reclaim.....	3918	1038		
Faber valued his at \$50 an acre when purchased...	3914	1038		
Methods used for reclaiming Faber land.....	3920	1039		
Possibility of diverting San Francisquito Creek....	3916	1038		
Reclaimed, without sediment, worth \$50 an acre (Faber)	3926	1040		
300 acres in Faber purchase (Faber)	3913	1038		
Valued at \$100 an acre with sediment on (Faber)..	3925	1040		
Valued that, held by Spring Valley Water Co. at \$15, an acre (Faber).....	3918	1038		
MARS TO CONNOLLY				
Sale—La Honda District	3715	987		
MARTIN, O. B.				
Direct examination	3979	1053		
.....	4008	1060		
Cross examination	4009	1060		
.....	4068	1074		
Arrived at value of Merced land by using values of surrounding sub-divisions and properties.....	4045-4046	1068-1072		
Considerations and method employed in valuing Merced lands	4017-4022	1062-1063		
.....	4044-4065	1067-1073		
Experience in Sunset and Richmond districts qualified him as to value of Merced lands.....	4036	1066		
General remarks regarding tracts in vicinity of Lake Merced	4066-4068	1073-1074		
General remarks regarding various sub-divisions in and around San Francisco.....	4012-4014	1061		
Knows nothing about value of lakes for water supply purposes	4008	1060		
Not prejudiced against Merced locality.....	4067	1073		
Possible sale of Merced, advantages and disadvantages, reasons, etc.	4004-4006	1059		
Qualifications	3979	1053		
Six to one method would be used by, on Merced lands	4040-4042	1067		
Sub-divisions handled and sold by.....	4009	1060		
Valuation of sub-divisions and property surrounding Spring Valley Merced land.....	4045-4064	1068-1072		
Valuation of various parcels of Lake Merced lands.....	3989-4000	1054-1058		
Would not sub-divide Merced in way parcels are now sub-divided	4038	1066		
.....	4039	1067		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
MARTIN TO NOYES				
Sale—Coast District	3720	990		
MARTINEZ, JOSE ANTONIO, PROPERTY				
Woodside—sub-divided and sold by Smith.....	3834	1020		
MASTERS TO SAWYER				
Sale—Menlo District	3696	982		
MAYHEW TO RAISS				
Sale—Menlo District	3696	982		
McCARTHY LAND				
Was sold for about \$7000.....	3899	1035		
McDERMOTT LAND				
Compared to Parcel 138 Peninsula land.....	3245	862		
McDUFFIE, DUNCAN				
Advantages or disadvantages of railroads on Merced lands			3162	835
Availability of Merced lands.....			3067	803
Commercial value of Merced Lakes.....			3172	838
.....			3173	
Considered sales when valuing Merced lands.....			3097	815
Description Merced lands.....			3069	804
.....			3070	
.....			3071	
.....			3072	806
Detailed description of Parcel No. 1 Merced lands..			3078	807
..			3079	808
Detailed valuation Parcel No. 1 Merced lands.....			3078	807
.....			3079	808
Direct examination			3065	803
Cross examination			3108	819
.....			3165	836
Re-direct examination			3172	838
Re-cross examination			3182	839
Divides Merced lands into four classes as to value..			3074	806
..			3076	807
Effect of Twin Peaks Tunnel on land values.....			3160	834
.....			3161	
Flat or sloping lands more successful.....			3157	833
Higher prices obtained for lots which command view			3157	833
.....			3158	
Industrial development on Merced lands.....			3163	835
.....			3164	
Leonard's offer for land adjoining Ingleside Terrace			3176	838
.....			3179	839
Made no distinction in value of Merced land in San Francisco County or San Mateo.....			3165	836
.....			3166	
Marine view element of value for residential property			3155	832
.....			3156	833

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
McDUFFIE, DUNCAN—Continued.				
Public utility conveniences Merced lands.....			3074	806
Qualifications			3065	803
.....			3066	
.....			3068	804
Reasonable time required to dispose of Merced lands			3115	821
			3116	
Restriction in residential property.....			3070	805
.....			3071	
Springs offer \$4000 per acre for St. Francis Wood..			3173	838
Sub-division and settlement of Merced lands.....			3180	839
Time it would take to sub-divide and sell Merced				
lands			3181	839
Topography of Merced lands.....			3071	805
.....			3072	806
Transportation facilities, Merced lands.....			3072	806
.....			3074	
Valuation of Merced lands.....			3076-3095	807-814
View of lakes more valuable than marine view....			3155	832
McFARLAND LAND				
Method of valuing (Smith).....	3222	853		
Offer to sell.....	3219			
.....	3220	853		
McLELLAN LAND				
Beresford—offered for sale.....	3513	933		
McLAUGHLIN CO. LAND				
Grazing land in Corral Hollow rented by Rogge....	3058	802		
....	3060			
MEEKINS TO BOUDREAUX				
Sale—Menlo District	3693	981		
MENDENHALL SPRINGS				
Located in Mocho country (Hayes).....			3406	906
MENLO DISTRICT				
Average selling price of real estate sold by Smith				
\$266.22 per acre	3771	1003		
Average value of sales by Smith over 20 acres,				
including improvements \$84.95 per acre.....	3801	1012		
Bachelder et al purchases (Smith).....	3695	982		
Burke property depreciated on account of yellow hill	3660	971		
Climatic conditions of (Smith).....	3312	882		
.....	3315	883		
Description and reason for price of Mezes property	3669	973		
	3670	974		
Land values (Smith).....	3627	964		
No bent trees to be found in (Smith).....	3349	891		
Sale—Adams estate to Sawyer.....	3696	982		
Sale—Bachelder to Sharon.....	3645	968		
Sale—Bellevue to Sharon.....	3697	983		
Sale—Blackwood to Hoag.....	3696	982		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
MENLO DISTRICT—Continued.				
Sale—Burke Estate Co. to Greenwood.....	3695	982		
Sales—Callaghan property	3643	967		
Sales—Callaghan to Sharon.....	3691	981		
Sales—Church to Sharon	3693	981		
.....	3694	982		
.....	3695	982		
Sale—Dugan to Sharon.....	3697	983		
Sales—Greenwood to Sneider.....	3695	982		
Sale—Masters to Sawyer.....	3696	982		
Sale—Mayhew to Raiss.....	3696	982		
Sales—Meekins to Boudreaux.....	3693	981		
Sales—Mezes to Sharon.....	3644	967		
.....	3697	983		
Sales—Newhall to How.....	3693	981		
Sale—Sawyer to Connolly.....	3696	982		
Sale—Sneider to Hill.....	3696	982		
Sale of Schlessinger place.....	3645	968		
Sale of Warren property.....	3649	968		
Schlessinger property not comparable to Burke property	3647	968		
.....	3648			
Sharon purchases	3671a	974		
Sharon purchases and sales.....	3667	973		
Total value real estate sales by Smith.....	3697	983		
Warren property compared with Spring Valley Peninsula lands	3694	968		
.....		969		
MERCED LANDS				
See Lake Merced lands				
MERCED LAKES				
Have no real estate value by themselves (Paschell)	4129	1091		
Reflected in value of land (Paschell).....	4090	1080		
Remarks as to value if City were to take over property (Paschell)	4129-4131	1091		
See also Lake Merced lands				
MEZES PROPERTY				
Description of and reason for price (Smith).....	3669	973		
.....	3670	974		
MEZES TO SHARON				
Menlo District—Sales	3644	967		
.....	3697	983		
MILLBRAE PUMPING PROPERTY				
Method of valuation (Smith).....	3555	944		
.....	3556	945		
Most valuable for residential purposes (Smith)....	3555	944		
MOORE, J. J., LAND				
Does not know the property (Smith).....	3464	920		
Heard the sale to Chamberlain was \$350 per acre (Tuchsen)	3907	1037		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
MOORE TO CHAMBERLAIN				
Sale of land at \$350 per acre (hearsay) (Tuchsen) .	3907	1037		
MORSEHEAD LAND				
Bought from Sharon at \$111 per acre.....	3475	923		
Comparable to Peninsula lands (Smith).....	3342	889		
Compared to Claffey land.....	3475-3477	923-924		
Description of	3796	1010		
.....		1011		
MOXEY TO FASSO				
Real estate sale—Woodside District.....	3662	971		
MULCAHEY PURCHASE				
Price paid \$350 per acre (Smith).....	3651	969		
MUNSON TO GRAVES				
Real estate sale—Woodside District.....	3662	971		
.....		972		
NAVIGABLE STREAMS				
Federal laws against damming.....	3919	1039		
NEEDLER TO CONNOLLY				
Real estate sale—La Honda District.....	3658	970		
NEHMAN TO FITZHUGH				
Real estate sale—Woodside District.....	3685	979		
NEIGHBORHOOD				
Greater influence than environment in sale of Spring Valley lands for country estates (Smith).....	3829	1019		
Would be an important factor affecting the development of Peninsula lands (Smith).....	3773	1004		
NEWHALL CO. TO HOW				
Real estate sale—Menlo District.....	3693	981		
NOYES PROPERTY				
Woodside Ridge, comparable to Spring Valley properties northwest of Pilarcitos (Smith).....	3692	981		
NOYES TO GINGG				
Real estate sale—Woodside.....	3688	979		
OAK RIDGE				
Quality of feed.....	3053	801		
.....	3054			
OBER TO GRIFFITH				
Real estate sale—Los Altos District.....	3698	983		
O'CALLAGHAN LAND				
Compared to McFarland land (Smith).....	3220	853		
OCEAN SHORE LANDS				
Sub-division prices did not affect adjoining land values (Oliver)	3965	1050		
OCEAN SHORE RIGHT OF WAY				
Lake Merced lands, 17.05 acres appraised at \$21,-312.50 (Martin)	4008	1060		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
OCEAN VIEW PARK				
Character and general remarks (Martin).....	4032-4034	1065		
Sold in 1907 for \$1300 per acre (Martin).....	4032	1065		
Used as comparison in placing value on Merced land opposite (Martin).....	4032	1065		
O'CONNOR GIRLS				
Sold their land to Husing.....	3435	913		
O'CONNOR TO FITZPATRICK				
Real estate sale—La Honda District.....	3716	988		
O'CONNOR TO HUSING				
Real estate sale—San Mateo District.....	3435	913		
.....	3792	1010		
OLIVER, B. P.				
Direct examination	3939-3955	1043-1048		
Cross examination	3956-3976	1048-1052		
Appraisal, 30 days to make.....	3955	1048		
Boating, etc., gave value to the lands adjoining the Peninsula lakes	3953	1047		
Britton land, looked at with a view of purchasing..	3957	1048		
Buying Parcel 90 at \$50 per acre is taking a gambler's chance	3972	1052		
Climatic conditions bad on both sides of Buri Buri and Los Pulgas Ridges.....	3944	1044		
Climatic conditions would affect the salability of west side of Buri Buri Ridge.....	3946	1044		
Comparison of values of Hillsboro and Los Altos land	3974	1052		
Considers Parcel 37 only fit for pasturage.....	3951	1046		
Correction in value of Parcel 90.....	3973	1052		
Could not state if he had made a sale in San Mateo County in ten years.....	3956	1048		
Description and valuation of various parcels Penin- sula lands	3948-3952	1045-1047		
Did not appraise 209 acres that drain into San Mateo Creek	3950	1046		
Does not consider Hillsboro lands comparable to Los Altos as to livable conditions.....	3964	1049		
Does not know the amount of his country real estate sales	3954	1047		
East side of Crystal Springs Lake could not be used for country estates.....	3947	1044		
El Cerrito land, reduction in prices.....	3968	1050		
Has no rule for determining land values.....	3956	1048		
Hillsboro lands would sell for 10 times more than Los Altos land.....	3964	1049		
In valuing Parcel 36 figured that the lake remains as at present.....	3951	1046		
Judgment his guide for placing values.....	3959	1048		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
OLIVER, B. P.—Continued.				
Knowledge of Peninsula lands.....	3941	1043		
Land on west side of ridge not comparable with Carolán land	3947	1044		
Location of San Pedro ranch.....	3941	1043		
Modoc County, sold \$400,000 worth of land.....	3954	1047		
No attention paid to sales of nearby properties...	3956	1048		
No comparison of Woodside and Spring Valley lands for country estate purposes.....	3948	1045		
Peninsula lands could not be sold for residential purposes in a century.....	3955	1047		
Potable water a serious question in sub-division..	3951	1046		
Qualifications	3939	1043		
.....	3947	1044		
.....	3954	1047		
Reasons why Spring Valley lands are not adapted for residential purposes	3969	1051		
Residence site of Carolán tract has no advantage over Spring Valley lands.....	3963	1049		
Sales in Hillsboro or San Mateo Park not consid- ered when appraising	3946	1044		
Same value for San Mateo lands now as they were in 1913 or 10 years prior.....	3953	1047		
Sewage a serious question in sub-division.....	3951	1046		
Top of Buri Buri Ridge unsalable for residential land	3962	1049		
Topography of Peninsula lands prior to formation of lakes	3942	1043		
.....	3943	1044		
Value of various parcels influenced by lake view	3952	1047		
Valuations given are not the market value as of December 31, 1913.....	3953	1047		
Was requested by Mr. Steinhart to appraise Pen- insula lands	3946	1044		
Wind conditions in and around Woodside.....	3959	1049		
.....	3960			
Woodside lands, knowledge of.....	3947	1044		
Would not permit a client to buy Spring Valley lands at his valuations.....	3953	1047		
O'NEIL AND CONNOLLY TO HOOVER				
Real estate sale—Coast district.....	3718	989		
ORCHARDS				
Calaveras Valley, condition of.....			4140-4142	1093
ORTON TO CONNOLLY				
Real estate sale—Woodside district.....	3651½	969		
.....	3683	978		
OX HILL				
Described as Maloney's Hill by Mr. Lawrence...	3201	845		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
PALO ALTO DISTRICT				
Hopkins property sub-divided and sold by Smith	3835	1020		
PARCEL 73				
Not as accessible as Woodside lands.....	3457			
.....	3458	919		
Pocketed, comparatively inaccessible	3457	918		
PARCEL 90				
Unit 10 Peninsula lands, possibility of sale (Smith)	3855	1025		
Unit 10 Peninsula lands, ridges have detrimental effect on entire tract (Smith).....	3856	1025		
PARCEL 105				
Peninsula lands described and compared with Bassetti land	3424	910		
.....	3425	911		
PARCEL 164				
Peninsula lands described as Burke land (Smith)...	3414-3418	908-909		
PARCEL 191				
Method of valuing (Smith).....	3440			
.....	3441	914		
PARKS BROTHERS				
Extent of land leased by them at Calaveras (Hayes)			3403	905
PARKSIDE LAND				
Compared with Merced land as to value (McDuffie)			3080	808
Has always had poor name, does not attract high class buyers	4031	1065		
Price per front foot (Paschell).....	4093	1080		
Used as basis of value for Merced land opposite by Martin	4042	1067		
PASCHELL, PHILIP P.				
Direct examination	4069-4127	1074-1090		
Cross examination	4128-4134	1090-1092		
Re-direct examination	4135	1092		
Re-cross examination	4135	1092		
Absorptions of sub-divisions in and around San Francisco	4075-4078	1075-1076		
General remarks regarding development of sub- divisions around San Francisco Bay.....	4100	1083		
.....	4101			
.....	4094-4097	1081-1082		
Lake Merced land best adapted for residential pur- poses	4074	1075		
List of real estate sales used in valuation of Merced lands	4109-4111	1085-1086		
Method of valuation of parcels of Lake Merced lands	4115-4135	1086-1092		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
PASCHELL, PHILIP P.—Continued.				
Qualifications	4069-4073	1074-1075		
Sub-division would have to sell at 5 to 1 to be profitable	4092	1080		
Used "Somer's Rule" in valuation of Merced land	4123	1089		
	4124			
Valuation of parcels, Lake Merced land.....	4081-4089	1077-1079		
PASTURE				
7000 acres of Peninsula land would bring highest price for (Smith).....	3862	1027		
PASTURE LAND				
Consider Parcel 37 only fit for pasturage (Oliver)..	3951	1046		
PATTON TO FABER				
Real estate sale—Los Altos (Smith).....	3713	986		
PATTON TO MAYOR ROLPH				
Real estate sale—Woodside Ridge (Smith).....	3690	980		
PATTON TO PETERS				
Real estate sales—Woodside District (Smith).....	3686	979		
PATTON TO TILLMAN				
Real estate sale—Woodside District (Smith).....	3684	978		
PENINSULA LANDS				
Accessibility of Parcel 73	3228	856		
Adjoining Hillsboro, possibility of sale.....	3488	926		
Appraisal of Carolan property by Smith.....	3841	1022		
Average value of Parcel 5-2 \$58.45 by Smith.....	3802	1012		
Average value of lands west of lakes including West Union \$56.10 per acre (Smith).....	3801	1012		
Average value per acre including Phelps Tract \$72.93 (Smith)	3802	1012		
Bassetti land (Parcel 208) described (Smith).....	3419	909		
Better to sell west side of lakes rather than east side, reasons (Smith).....	3872-3874	1029-1030		
Burke land described Parcel 164 (Smith).....	3414-3418	908-909		
Cahill and Sawyer Ridges cannot compare with Carolan land	3778	1006		
Canada Road property, in competition with La Honda for country estates.....	3560	945		
Cannot be sub-divided like El Cerrito, etc.....	3762	1001		
Carolan land, not comparable with west side.....	3947	1044		
Carolan property used as check against Parcel 90..	3844	1022		
Carolan property compared with west slope Buri Buri Ridge	3844	1022		
Carolan property would be maximum price to expect for any portion on east side of Buri Buri Ridge	3769	1003		
	3847	1023		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
PENINSULA LANDS—Continued.				
Climate	3312	882		
.....	3315	883		
.....	3323			
.....	3326	885		
.....	3493	929		
.....	3494			
Comparable to Woodside lands.....	3341			
.....	3342	889		
Comparable to Santos property.....	3621	962		
Compared to Clark Place.....	3333	887		
.....	3334			
Compared to Fitzhugh property.....	3580	951		
Compared to Grainger land.....	3240	860		
.....	3241			
Compared to Hill place.....	3632	965		
.....	3635			
Compared to Kohl land (Smith).....	3762	1001		
Compared to La Honda lands.....	3189	841		
.....	3190			
.....	3200	845		
.....	3336	888		
.....	3377	899		
.....	3378			
.....	3561	946		
.....	3570	948		
Compared with La Honda lands as to accessibility..	3335	887		
..	3336	888		
Compared with land in Woodside District.....	3581	951		
.....	3584	952		
.....	3620	962		
Compared with Oscar Beatty land.....	3297	879		
Compared with Poniatowski land.....	3297	879		
Compared with Warren property.....	3694	968		
.....		969		
Comparison Carolan lands with Parcel 90.....	3231	857		
Comparison of Bassetti with Beatty land.....	3419-3422	909-910		
Comparison of Easton, Hillsboro and Woodside country estates	3393	903		
Comparison of Parcels 45, 46 and 68.....	3215	851		
.....	3216	852		
Comparison of various parcels of, with various par- cels of La Honda lands.....	3561	946		
.....	3570	948		
.....	3377	899		
.....	3378			
Contain high grade estate land.....	3310	882		

INDEX

PENINSULA LANDS—Continued.	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
Corrections in acreages and values of various parcels				
(Smith)	3301	880		
.....	3302			
Cost of sub-dividing and putting on market.....	3864-3866	1027-1028		
Cost of various residences.....	3843	1022		
Cost to properly develop.....	3298	879		
Could be sold off quicker as a whole than in portions or units.....	3810-3813	1014-1015		
Could not be sold at mentioned prices (Smith).....	3282	873		
Could not be sold off in original parcels.....	3809	1014		
Country estates, description, etc. (Smith).....	3326	885		
.....	3332	887		
Country estates, method of sub-division to form....	3779	1006		
Depreciation of value, reason for.....	3808	1013		
.....	3809	1014		
Described from photo taken from back line of Hobart place (Smith).....	3787	1008		
Description of various parcels (Smith).....	3242-3271	860-869		
(Oliver).....	3948-3952	1045-1047		
Detailed valuation (Smith).....	3242	860		
.....	3271	869		
Diamond purchase \$350 per acre.....	3658	970		
Difficult to dispose of in 1913 (Tuchsen).....	3882	1032		
Elements of value (Smith).....	3746-3750	996-997		
Enhances timbered portion of Scarpas property....	3840	1021		
Family Club purchase \$500 per acre.....	3658	970		
Grainger land, description and value (Smith).....	3320	884		
Grainger property appraisal (Smith).....	3836	1021		
.....	3837			
Grainger property, valuation increased 80 to 100% by connection with (Smith).....	3838	1021		
Graves property compared with best of Spring Valley land	3659	971		
Husing place very attractive piece of property.....	3863	1027		
Husing property described from photo by Smith....	3792-3794	1010		
If dam was removed value of land would be reduced \$100,000 (Smith).....	3471	922		
Improvements, to some extent, considered in valuation (Smith)	3813	1015		
Increases value of Grainger property 80 to 100% (Smith)	3838	1021		
Lakes add value (Smith).....	3194	843		
Marchand land considered low grade property (Smith)	3426	911		
Market value \$1,600,000.00 (Smith).....	3490	927		
Method of valuing (Smith).....	3302	880		
.....	3444-3446	915		
.....	3451-3456	917-918		
.....	3465			

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
PENINSULA LANDS—Continued.				
Method of valuing (Smith)—Continued.....	3467	921		
.....	3623	963		
.....	3627	964		
.....	3789	1009		
.....	3790	1009		
.....	3796-3805	1010-1013		
.....	3867-3871	1028-1029		
Method of valuation on various parcels by Smith...	3533	938		
...	3537	940		
...	3570	948		
...	3573-3575	949-951		
Method of valuation by units (Smith).....	3587	952		
.....	3617	961		
.....	3804	1012		
.....	3805	1013		
Method of valuing Claffey property (Smith).....	3560	946		
.....	3561			
Method of valuing Millbrae pumping property (Smith)	3555	944		
.....	3556	945		
Method of valuing Parcel 2.....	3675	975		
Method of valuing Parcel 40.....	3557	945		
Method of valuing Silva Tract Parcels 24 and 193 (Smith)	3543	941		
.....	3554	944		
Miscellaneous real estate sales (Smith).....	3494	928		
.....	3507	932		
More wind and fog than at Portola (Faber).....	3024	1040		
Most adapted to country estates (Smith).....	3833	1020		
Neighborhood has greater influence than environ- ment in selling country estates (Smith).....	3829	1019		
Neighborhood would affect the development of country estates (Smith).....	3773	1004		
New value to be set on Parcel 50 (Smith).....	3224	854		
No appraisal of, made by Tuchsén.....	3882	1032		
Norwood B. Smith considers himself only man competent to appraise Peninsula lands.....	3833	1020		
.....	3834			
Not as attractive as Woodside Valley (Smith)....	3687	979		
Not as good as a whole, acre for acre, as lands sold by Smith.....	3802	1012		
Not logically sub-divided for estate purposes (Smith)	3802-3804	1012		
Not valued for water purposes (Smith).....	3731	993		
Of Spring Valley suitable for residences (Smith)..	3188	841		
Oliver, would not advise buying at ½ appraisal value	3972	1051		
On west side not comparable with Carolan land (Oliver)	3947	1044		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
PENINSULA LANDS—Continued.				
On west slope of Buri Buri Ridge compared with Carolan property (Smith).....	3844	1022		
Parcel 5-2 comparable to La Honda and Hoover lands (Smith)	3871	1029		
Parcel 13, segregation of valuation (Smith).....	3205	847		
Parcel 38, lake view added greatly to its value (Smith)	3212	850		
Parcel 90, compared with Carolan land.....	3778	1006		
.....	3842	1022		
Parcel 90, comparison of values with Carolan land..	3768			
..	3769	1003		
Parcel 90, wind no particular detriment (Smith)...	3412	907		
Parcel 105, described and compared with Bassetti land (Smith)	3424	910		
.....	3425	911		
Parcel 105, description of (Tuchsen).....	3900	1035		
Parcel 138, compared with Faustino land (Smith). .	3244	861		
Parcel 138, compared to McDermott land (Smith)..	3245	862		
Parcel 138, same grade as McDermott (Smith)....	3243	861		
Parcel 191, method of valuing (Smith).....	3440			
.....	3441	914		
Parcel 202, compared to Finkler land.....	3258	866		
Parcel 202, compared to Portland Cement Co.'s land	3261	866		
Parcel 202, compared to Waddell Creek lands....	3463	920		
Parcel 208, Bassetti land, compared with Connolly land	3265	868		
Pasturage, 7000 acres most valuable for.....	3862	1027		
Percentage used by Smith to obtain retail prices...	3813	1015		
...	3814			
Photographic description of various parcels (Smith)	3299	879		
.....	3308	882		
Photographs of trees introduced by McCutchen (Smith)	3618	961		
Possible sale of Parcel 90, unit 10 (Smith).....	3855	1025		
Property along Canada Road in direct competition with La Honda lands for country estates (Smith)	3560	945		
Real estate sales (Smith).....	3519	935		
.....	3522	936		
.....	3630	964		
.....	3659	971		
Reason for depreciating value (Smith).....	3808-3809	1013-1014		
Restrictions detrimental to sale of country estates (Smith)	3816-3829	1016-1019		
.....	3831			
.....	3832			
Retail selling price of Spring Valley lands 25 to 50% in excess of wholesale price (Smith).....	3790	1009		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
PENINSULA LANDS—Continued.				
Ridges on Unit 10, Parcel 90, have detrimental effect on entire tract (Smith).....	3856	1025		
Salable in 1913 at \$1,600,000.00 (Smith).....	3785	1008		
Sale, Grainger land (Smith).....	3320	884		
Sales against which certain appraisals were checked (Smith)	3726	991		
Sale, west side of lake better than east side (Smith).....	3872-3874	1029-1030		
Scarpas land, description and value (Smith).....	3318	884		
.....	3319			
Scarpas property sparsely timbered (Smith).....	3840	1021		
Scarpas property value not increased if attached to	3838	1021		
.....	3839			
7000 acres might be disposed of for game preserve (Smith)	3860-3862	1026-1027		
Sherwood land, location of (Smith).....	3425	911		
Silva Tract, could not be successfully divided into town lots (Smith).....	3790	1010		
Silva Tract worth less, acre for acre, than Hunting-ton Park Tract (Smith).....	3554	944		
Smith—considers himself only man competent to appraise Peninsula lands.....	3833	1020		
.....	3834	1020		
.....	3813	1015		
Smith's valuation does not include roads and dams.				
Some of the Spring Valley land very attractive and would bring high prices (Smith).....	3863	1027		
Some portions probably could be sold for pasture and portions for farming (Smith).....	3860	1026		
Special parcels, description of (Smith).....	3280-3294	872-878		
Topography of, prior to formation of lakes (Oliver)	3942	1043		
.....	3943	1044		
Total of appraisal was arrived at by gradations (Smith)	3573	949		
Total valuation (Smith).....	3297	879		
Tree comparison with Carolan land (Smith).....	3375			
.....	3376	898		
Use various parcels could be put to (Smith).....	3240	860		
.....	3241			
Valuations explained on various parcels (Smith).....	3448-3450	916		
Valuations increased by view of the lakes.....	3473			
.....	3474	923		
Valuation of various parcels (Smith).....	3299	879		
.....	3308	882		
(Oliver).....	3948-3952	1045-1047		
Valuation of parcels of West Union (Outside of watershed) (Smith)	3265	868		
Valuation of various parcels with lake view (Smith).....	3734-3745	994-996		
Valuation without lakes (Smith).....	3731-3733	993		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
PENINSULA LANDS—Continued.				
Valuation would have been higher if well wooded (Smith)	3778	1006		
Value depreciated, reason for (Smith).....	3808	1013		
.....	3809	1014		
Valued as a whole tract (Smith).....	3442-3444	914-915		
Values checked by various sales made by Smith....	3805-3808	1013		
Various parcels described from photographs (Smith)	3267	868		
.....	3272	869		
Various sub-divisions proposed by Smith.....	3834	1020		
.....	3835			
Water use not valued (Smith).....	3731	993		
Wind compared to Burlingame, Los Altos, etc. (Smith)	3372	897		
Woodside Valley more attractive (Smith).....	3687	979		
Worth a little for pasturage (Oliver).....	3972	1051		
Would have been salable in 1913 at \$1,600,000 (Smith)	3785	1008		
Would not advise a client buying them at half the appraised value (Oliver)	3972	1051		
PERCENTAGES				
Used by Smith in obtaining retail prices of Spring Valley Peninsula lands	3813	1015		
.....	3814			
PHELPS TRACT				
Description and valuation (Smith).....	3280	872		
PHOTOGRAPHS				
Comparison, page 1 of Defendant's Exhibit 48 with Exhibit 55	3410	907		
Husing property, Peninsula lands	3792-3794	1010		
Peninsula lands, Defendant's Exhibit 48.....	3280	872		
Purpose of submitting same (Smith).....	3347	890		
Spring Valley Peninsula land photo taken from back line of Hobart place	3787	1008		
See exhibits				
PHOTOGRAPHS OF TREES				
On Peninsula lands, introduced by McCutchen.....	3618	961		
See exhibits				
PHYSICAL STRUCTURES				
Arbitrator called off by Supervisors.....	3983	1053		
Do not add to the value of the land (Smith).....	3754	998		
Proposed arbitration on cost of reproduction.....			3706-3712	986
Will have to be included in the market value of the land (Smith)	3754	999		
PLEASANTON LANDS				
Alkali, no direct indication of, on Chabot or Hewlett lands			4138	1092

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
POCKETED LAND				
How values are increased or diminished (Smith)....	3431-3433	912		
Parcel 73 comparatively inaccessible (Smith).....	3457	918		
PONIATOWSKI LAND				
Compared with Spring Valley peninsula land (Smith)	3297	879		
Superb view from the house (Oliver).....	3970	1051		
POPE LAND				
Details of purchase	3482-3484	925		
Paid \$56,421 for 666.8 acres of La Honda.....	3558	945		
POPULATION				
General remarks (Paschell)	4099	1082		
Increase, etc., around San Francisco.....	4096	1081		
.....	4097	1082		
Merced land, time it would take.....	4098	1082		
Possible future, on Lake Merced lands.....	4074	1075		
.....	4075			
PORTLAND CEMENT CO. LANDS				
Compared with Parcel 202 Peninsula lands (Smith).	3261	866		
POTABLE WATER				
A serious question on Parcel 36 (Oliver).....	3951	1046		
PRESTOLITE CO. LAND				
Description of (Smith)	3284	873		
South San Francisco real estate sale (Smith)....	3524	936		
.....	3526	937		
PRINGLE, MR.				
Purchaser of the Husing land (Smith).....	3436	913		
PRINGLE LAND				
Real estate sale (Smith).....	3510	932		
.....	3512	933		
PUBLIC UTILITIES				
Convenient to Merced lands (McDuffie).....			3074	806
QUALIFICATIONS				
Faber, Peter	3913	1038		
Hayes, John C.			3400	905
Martin, O. B.	3979	1053		
McDuffie, Duncan			3065	803
.....			3066	
.....			3068	804
.....			3113	820
Oliver, B. P.	3939	1043		
Paschell, Philip P.	4069-4073	1074-1075		
Rogge, John	3052	800		
Smith, Norwood B.....	3386	901		
Tuchsen, H. C.....	3880	1031		
Wickson, Edward J.....			4136	1092
QUINN TO BROWN				
Real estate sale—Woodside	3689	980		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
RAILROADS				
Advantage and disadvantage to Lake Merced lands (McDuffie)			3162	835
.....			3163	
RAINFALL				
Average for Calaveras exceeds Mocho.....			3401	905
Grazing better on Calaveras than in Mocho owing to excess of			3401	905
RALSTON ESTATE TO KNEPPE				
Real estate sale—La Honda.....	3714	986		
RANGE LANDS				
Number of cattle Calaveras lands will carry.....	3054-3055	801		
REAL ESTATE, OFFERS TO SELL				
Howard Estate—Black Mountain	3516	934		
McLellan land—Beresford	3513	933		
Geo. Ross place—Belmont.....	3513	933		
Splivalo land—Belmont	3514	933		
.....	3515	934		
REAL ESTATE SALES				
Abbuhl to Greenwood—Stevens Creek.....	3713	986		
Ackerman to Pope—La Honda	3714	987		
Adams Estate to Sawyer—Menlo District.....	3696	982		
Alexander to Law—Woodside District.....	3658	971		
.....	3682	977		
American Land & Water Co. to Law—Woodside....	3657	970		
..	3688	980		
Average prices paid in Woodside and other districts (Smith)	3770	1003		
Average value of sales over 20 acres including West Union, \$56.10 per acre (Smith).....	3801	1012		
Bachelder to Gamble—Los Altos District.....	3698	983		
Bachelder et al to Sharon—Menlo District.....	3645	968		
Baker to Schilling—La Honda	3717	988		
Baldwin & Howell originally purchased Residential Tract, 742 acres (Paschell)	4072	1074		
Bariolet to Hill (Smith)	3637	966		
.....	3641	967		
Bariolet to Hill—Los Altos District.....	3700	984		
Baronda to Brown—Woodside District	3685	978		
Barron to Warranty Investment Co.....	3664	972		
Bellview to Sharon—Menlo District	3697	983		
Bernheim to Hoover—Coast District.....	3719	989		
Blackwood to Hoag—Menlo District.....	3696	982		
Bordieux to Chilcott—Los Altos District.....	3702	984		
Borel to Jane—Hillsboro District.....	3665	972		
Bostwick to Hooper (Tuchsen)	3885	1033		
Brickell and Whitman sales considered in appraisal of Parcels 18, 19, 20, 23, 25 Lake Merced (Martin)	4002	1058		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
REAL ESTATE SALES—Continued.				
Brown to Dixon—Los Altos District	3698	983		
Brown to Sawyer—Coast District	3720	989		
Burke Estate Co. to Greenwood—Menlo	3695	982		
Button to Hoover—Coast District.....	3718	989		
Byrne to McCarthy—Woodside District	3660	971		
Byrne McKee to T. J. Hoover—Coast District.....	3718	989		
Callaghan to Sharon—Menlo District	3643	967		
.....	3691	981		
Chilcott to Greenwood—Los Altos District	3705	985		
Church to Sharon—Menlo District	3693	981		
.....	3694	982		
.....	3695	982		
Clamer to Drexler—Woodside District.....	3680	977		
Claremont Court (McDuffie)			3166	836
Clark Estate to Faber	3937	1043		
Compte to Forderer—Woodside District.....	3678	976		
Connolly land (Smith)	3265	868		
Connolly to Sawyer—Woodside District.....	3684	978		
.....	3688	979		
Connolly to Wilson—La Honda.....	3715	987		
Cuyamos Ranch to State of California.....	3967	1050		
Diamond purchase	3658	970		
Dixon to Liebes	3718	988		
Dixon to Santos—Woodside District.....	3585	952		
.....	3690	980		
Dixon to Sharon—Woodside	3678	976		
Dominican College to Quinn—Los Altos.....	3713	986		
Dugan to Sharon—Menlo District	3697	983		
Faber paid \$137,500 for 800 acres.....	3914	1038		
Faber to Greenwood—Woodside District.....	3680	977		
.....	3681			
Faber to Law—Woodside	3657	970		
Faber to Noyes—Woodside District.....	3685	978		
Faber to Sawyer—Woodside District.....	3682	977		
Family Club purchase—Woodside District	3658	970		
Fanciola to Righetti	3520	935		
Finkler from Marchand	3256	865		
.....	3258	866		
Forbes interest in Merced Ranch	4111	1086		
Forest Hill (McDuffie)			3166	836
Gannon to Chilcott—Los Altos District.....	3703	985		
Gingg to Ebeneter—Woodside	3688	979		
Gingg to Hyde—Woodside	3686	979		
Goldsmith to Patton—Los Altos District.....	3705	985		
Grainger land	3320	884		
Greenwood to Connolly—Woodside	3683	978		
Greenwood to Fitzhugh—Woodside	3685	978		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
REAL ESTATE SALES—Continued.				
Greenwood to Hooker & Lent—Woodside	3681	977		
Greenwood to Law—Woodside	3679	976		
Greenwood to Sneider—Menlo District	3695	982		
Hale to Meyerstein—Woodside District.....	3665	972		
Hale to Meyerstein	3893	1034		
Halliday to Sharon—Woodside	3678	976		
Hanson to Hill—Los Altos District.....	3700	984		
Harbor Co. to Greeco Salt Works—Redwood City..	3527	937		
Hartmand to Hoover—Coast District	3719	989		
Hatfield to Connolly—Woodside	3653	969		
.....	3883	977		
Hill to Sneider—La Honda.....	3717	988		
Hobart to Clarke—San Mateo District.....	3522	936		
Hooper, Connolly & Beatty (re-sale) to Tacoma Land Co.—La Honda	3716	988		
Hooper to Madden	3885	1033		
Hopkins property—Palo Alto sub-division.....	3835	1020		
Howard Estate—Black Mountain	3516	934		
Husing land—purchase and sale price of.....	3435-3437	913		
Ingleside Terrace (McDuffie)			3160	834
Jenkins to Gingg—Los Altos.....	3642	967		
.....	3713	986		
Jenkins to Leonard—Los Altos	3713	986		
Kelly to Dixon—Woodside Ridge	3690	980		
Kelly to Patton—Woodside	3679	976		
Kneedler to Connolly—La Honda	3714	987		
Knopf, Scalmanini & Bassetti lands sold to Spring Valley Water Co.	3883	1032		
Kris to Maloney (Tuchsen)	3887	1033		
La Honda District (Smith)	3189	841		
.....	3191	842		
La Honda District, average value \$57 per acre (Smith)	3801	1012		
Lake view at Woodside entered into values (Smith)	3751	998		
Langley to Noyes—Woodside Ridge	3691	981		
List of, used in valuation of Merced lands by Paschell	4109-4111	1085-1086		
Locke to Abrams—Los Altos District (Smith)....	3705	985		
Los Altos District, made by Smith.....	3698	983		
.....	3705½	985		
Lucke to Sawyer—Los Altos District.....	3701	984		
Lynch to Hooker & Lent—San Mateo.....	3513	933		
.....	3688	979		
Made by Smith	3308	822		
.....	3310			
Maloney to Connolly	3887	1033		
Maloney to Connolly and Connolly to Hooper.....	3265	868		

INDEX

REAL ESTATE SALES—Continued.	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
Marchand sale, purpose in referring to (Smith)...	3430	912		
Mars to Connolly—La Honda	3715	987		
Martinez, Jose Antonio sub-division	3834	1020		
.....	3835			
Martin to Noyes—Coast District	3720	990		
Martin did not consider sale of Balboa Terrace in valuing Merced	4030	1064		
Masters to Sawyer—Menlo District.....	3696	982		
Mayhew to Raiss—Menlo District.....	3696	982		
McCarthy paid about \$7000 for his land.....	3899	1035		
McDermott to Ross	3248	862		
McLelland land at Beresford offered for sale.....	3513	933		
Meekins to Boudreaux—Menlo District.....	3693	981		
Menlo District total sales made by Smith.....	3697	983		
Mezes to Sharon—Menlo District.....	3644	967		
.....	3697	983		
Moore to Chamberlain	3907	1037		
Moxey to Fassio—Woodside	3662	971		
Mulcahey purchase \$350 per acre.....	3651	969		
Munson to Graves—Woodside	3662	971		
.....		972		
Needler to Connolly—La Honda	3658	970		
Nehman to Fitzhugh—Woodside District.....	3685	979		
Newhall Co. to How—Menlo District	3693	981		
Noyes to Gingg—Woodside District	3688	979		
Ober to Griffith—Los Altos District.....	3698	983		
Ocean View Park sold in 1907 for \$1300 an acre..	4032	1065		
O'Connor to Fitzpatrick—La Honda	3716	988		
O'Connor to Husing—San Mateo District	3792	1010		
Oliver does not know the amount of country sales he has made	3954	1047		
.....	3956	1048		
Oliver sold \$400,000 worth of land in Modoc County	3954	1047		
O'Neil & Connolly—Coast District	3718	989		
Orton to Connolly—Woodside District.....	3651½	969		
.....	3683	978		
Patten to Faber—Los Altos	3713	986		
Patton to Mayor Rolph—Woodside Ridge	3690	980		
Patton to Peters—Woodside District	3686	979		
Patton to Tillman—Woodside District	3684	978		
Peninsula lands	3494	928		
.....	3507	932		
.....	3519	935		
.....	3522	936		
.....	3630	964		
Portland Cement Co.	3260	866		
Prestolite property—South San Francisco.....	3524	936		
.....	3526	937		

INDEX

REAL ESTATE SALES—Continued.	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
Pringle land, back of Belmont.....	3510	932		
.....	3512	933		
Purpose of referring to Marchand sale price (Smith)	3430	912		
Quinn to Brown—Woodside District (Smith).....	3689	980		
Ralston Estate to Knepe—La Honda	3714	986		
Rengstorff & Brown to Law—Woodside.....	3688	980		
Residential Development Co. tract (McDuffie)			3166	836
Residential tract, Baldwin & Howell to Forest Hill				
82 acres, to Meyerstein 142 acres, to West Gate				
Co. 176 acres	4072	1074		
Rogers to Montford Wilson—La Honda.....	3716	987		
Romero to Greenwood—Woodside	3679	976		
Ross place—Belmont, offered for sale.....	3513	933		
Ross to Faustino	3245	862		
.....	3521	935		
.....	3522	936		
Ross to Foothills Development Co., Belmont.....	3663	972		
Sanborn to Hill—Los Altos District.....	3701	984		
San Francisco sales made by Smith.....	3508	932		
.....	3509			
Santos property, price paid for	3651½	969		
Sawyer to Connolly—Menlo District	3696	982		
Sawyer to Fitzhugh—Woodside	3656	970		
Sawyer to Greenwood—Woodside District	3685	978		
Sawyer to Hoover—Coast District	3720	989		
Sawyer to Sachs—Woodside	3684	978		
Sawyer to Turner—Los Altos.....	3700	984		
Schlessinger place—Menlo District	3645	968		
Schwartz to Hoover—Coast District	3719	989		
Seofield to Black—Woodside Ridge	3690	980		
Scott land			3092	813
Selby to Patton—Woodside	3679	976		
Servau to Graves—Peninsula lands	3659	971		
Sharon Estate Co. to Foothills Development Co....	3663	972		
Sharon purchases and sales—Menlo Park District..	3667	973		
Sharon purchases—Menlo Park District	3671a	974		
Sharon to Morsehead \$111 per acre—Woodside.....	3475	923		
.....	3678	976		
Shine to Green et al—Woodside	3659	971		
Shine to Reis—Woodside District.....	3679	976		
Shore Line Investment Co. to Hoover—Coast District	3719	989		
Smith to Hill—Los Altos District.....	3631	964		
.....	3702	984		
Smith to Law—Woodside District	3688	979		
Sneider to Hill—Menlo District	3696	982		
South San Francisco land sales made by Smith....	3523	936		
Splivalo land—Belmont	3514	933		
.....	3515	934		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
REAL ESTATE SALES—Continued.				
St. Francis Wood and Forest Hill \$3000 per acre re-sale	3989	1054		
Sub-divisions sold by Smith	3834	1020		
	3835			
Tacoma Land Co. to Clarence Hayward—La Honda	3718	988		
Tacoma Land Co. to Montford Wilson, as Trustee, La Honda	3717	988		
Tacoma Land Co. to Peters—La Honda	3718	988		
Tacoma Land Co. to Smith—La Honda	3717	988		
Tacoma Land Co. to Snider—La Honda	3717	988		
Tacoma Land Co. and Fitzpatrick to Hill—La Honda	3717	988		
Tacoma Land Co. sub-division by Smith.....	3835	1020		
Tacoma Mill Co. to Hooper, Connolly & Beatty...	3715	987		
Tevis to Whitman (Oliver).....	3966	1050		
Thompson to Smith—Coast District.....	3719	989		
Time required to dispose of Peninsula lands (Tuchsen)	3882	1032		
Twin Peaks sale, average per acre (Paschell)....	4089	1080		
University Realty Co. made by (Smith)	3236	859		
Used as check in placing value on Spring Valley peninsula lands (Smith)	3805	1013		
	3808			
Waddell Estate to Hoover—Coast District	3718	989		
Warren property sale—Menlo District.....	3649	968		
Winckler to Hale	3891	1034		
Woodhams to Pope—La Honda	3714	987		
Woodside District, total sales made by Smith.....	3689	980		
Woodside District, total acreage sold by Smith....	3771	1004		
Woodside Ridge District, sales made by Smith....	3678-3689	976-980		
	.... 3690	980		
	.... 3692	981		
Wright to Dixon—Los Altos	3700	984		
Young to Doxey—Redwood City.....	3663	972		
REAL ESTATE VALUES				
Affected by bent trees (Smith).....	3349	891		
Buri Buri Ridge would influence Peninsula lands..	3774	1005		
Comparison of Carolan land with Parcel 90 (Smith)	3768			
	3769	1003		
Comparison of large and small sub-divisions (McDuffie)			3135-3140	826-828
Faber valued his marsh land at \$50 per acre.....	3914	1038		
High prices of Hillsboro lands would not influence value of Spring Valley lands (Oliver).....	3965	1050		
Hillsboro land values are inflated (Oliver).....	3966	1050		
Hillsboro lands would sell for more than ten times Los Altos lands (Oliver)	3964	1049		
In San Mateo County are governed by many considerations (Tuchsen)	3892	1034		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
REAL ESTATE VALUES—Continued.				
Judgment his guide in placing them (Oliver).....	3959	1048		
Marsh land of the Spring Valley Water Co. \$15 per acre (Faber)	3918	1038		
No attention paid to sale of nearby properties (Oliver)	3956	1048		
Ocean Shore sub-divided land, did not affect nearby land values (Oliver)	3965	1050		
Of Peninsula lands would be influenced by Buri Buri Ridge	3774	1005		
Of sub-divisions and adjoining properties (Smith). 3763-3764		1001		
Oliver has no rule for determining.....	3956	1048		
Oliver surprised at value of \$750 an acre for Parcel 90	3973	1052		
On pocketed properties sometimes greatly increased (Smith)	3431-3433	912		
On various parcels explained (Smith)	3448-3450	916		
Parcel 37 only valued for pasturage (Oliver).....	3951	1046		
Parcel 90, a gambler's chance at \$50 an acre (Oliver)	3972	1052		
Peninsula lands could not be sold at designated prices (Smith)	3282	873		
Peninsula lands, east and west of lakes if offered separately price would be less	3783	1008		
Peninsula lands valued as a whole tract (Smith)... 3442-3444		914-915		
Peninsula lands would have been salable in 1913 at \$1,600,000 (Smith)	3785	1008		
Qualifications and conditions necessary in apprais- ing land (Smith)	3340			
.....	3341	888		
Reservoir and residential lands are of the same value (Smith)	3758	1000		
Right of way values not considered (Smith).....	3289½	876		
Sales made by University Realty Co. (Smith).....	3236	859		
Screen tank lot value affected by entrance (Smith)	3459	919		
Special parcels, Peninsula lands (Smith)	3280-3294	872-878		
Submerged land of Peninsula properties valued as residential land (Smith)	3758	1000		
REASONABLE TIME				
Required to dispose of Merced lands (McDuffie)...			3115 3116	 821
RECLAMATION				
About 20 acres of land a year reclaimed by Faber	3921	1039		
Cost of, considered in appraisal (Faber).....	3920	1039		
.....	3931	1041		
Cost of dredging	3932	1041		
.....	3934	1042		
Cost of levees on Faber land	3926	1040		
Cost \$50 per acre to reclaim marsh land.....	3921	1039		
Dimensions of levees.....	3933	1042		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
RECLAMATION—Continued.				
Doubles the value of land	3926	1040		
Dredges, capacity	3934	1042		
Estimated cost of reclaiming Spring Valley Water Co.'s Ravenswood land	3936	1042		
Methods used by Faber	3920	1039		
Reclaimed land worth \$50 per acre without sedi- ment (Faber)	3936	1040		
REDWOOD CITY DISTRICT				
Factory sites \$1000 per acre	3527	937		
Harbor Co. to Grecco Salt Works, real estate sale..	3527	937		
Young to Doxey, real estate sale	3663	972		
REDWOOD TREES				
Add to value of land	3343	889		
Compared with fir trees	3345			
.....	3346	890		
Location of on Peninsula lands	3342			
.....	3343			
.....	3344	889		
REGHETTI LAND				
Purchase from Fanciola	3210	849		
RENGSTORFF AND BROWN TO LAW				
Real estate sale—Woodside	3688	980		
RENGSTORFF LAND				
Comparable to the whole of the Claffey land.....	3398	904		
Has a more livable climate than Claffey land.....	3407	906		
Purchased by Mr. Law for a special purpose.....	3782	1007		
Reasons for Law purchase	3399	904		
Sale price to Law (Smith)	3396	904		
Subjected at times to very strong winds.....	3409	907		
RESERVOIR LAND				
Is worth no more than residential land (Smith)....	3758	1000		
Smith had no experience in buying.....	3759	1000		
RESIDENCES				
Cost of Peninsula improvements	3843	1022		
RESIDENTIAL DEVELOPMENT CO.'S PROPERTY				
Compared with certain portions of Merced land....	4102	1083		
Originally purchased by Baldwin & Howell.....	4072	1074		
Sales in			3166	836
RESIDENTIAL LAND				
Canada lands not comparable with Woodside lands..	3888	1033		
Comparison of Canada and Hooper lands.....	3886	1033		
Comparison of Knopf and Bassetti lands.....	3885	1032		
Peninsula lands could not be disposed of as such, in a century	3955	1047		
Reasons why Spring Valley lands are not adapted to	3969	1051		
Top of Buri Buri Ridge would be unsalable as.....	3962	1049		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
RESIDENTIAL VALUES				
Compare with industrial and commercial land values (McDuffie)			3162-3164	835
Merced lands only valued as such (McDuffie).....			3108	819
RESTRICTIONS				
Detrimental in sales of country estates.....	3816-3829	1016-1019		
.....	3831			
.....	3832			
In Presidio Terrace and other San Francisco sub- divisions	3830	1019		
In residence districts add materially to property....	4013	1061		
In residential property (McDuffie).....			3070	805
.....			3071	
On sales of country estates not practicable.....	3815	1016		
On small sub-divisions an aid to sale.....	3830	1019		
On Spring Valley Merced lands.....	4064-4066	1072-1073		
Southern end of Lake Merced land should be de- veloped without	3992	1055		
RIDGE LANDS				
Lie along Sierra Morena Ridge south of Half Moon Bay Road	3384	901		
RIGHT OF WAY				
Values not considered by Smith.....	3289½	876		
ROADS AND DAMS				
Not included in Smith valuations of Spring Valley Peninsula lands	3813	1015		
RODGERS TO MONTFORD WILSON				
Real estate sale—La Honda.....	3716	987		
ROGGE, JOHN				
Direct examination	3052	800		
Cross examination	3055	801		
Re-direct examination	3062	803		
Feed on Alameda grazing lands.....	3053	801		
Grazing lands, from whom rented, quality of feed, etc.	3052	800		
.....	3063	803		
Grazing land in Calaveras Valley rented from Spring Valley Water Co.....	3055	801		
.....	3058	802		
.....	3060	802		
.....	3061	802		
Number of cattle Calaveras Valley grazing land will carry	3054	801		
.....	3055	801		
Qualifications	3052	800		
Quality of feed on Oak Ridge.....	3053	801		
.....	3054	801		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
ROGGE, JOHN—Continued.				
Rental of grazing land per year.....	3052	800		
.....	3053	801		
Rented grazing land in Corral Hollow from Me- Laughlin Co.	3058	802		
.....	3060	802		
ROLPH, MAYOR, PROPERTY				
Accessibility, time to and from San Francisco.....	3691	980		
.....	3691	981		
ROMERO TO GREENWOOD				
Real estate sale—Woodside.....	3679	976		
ROSS, GEO., PLACE				
Belmont—offered for sale.....	3513	933		
ROSS TO FOOTHILLS DEVELOPMENT CO.				
Real estate sale—Belmont District.....	3663	972		
SALABILITY				
Of lower portion of Lake Merced lands.....	4037	1066		
.....	4038	1066		
Of Peninsula land would be quicker as a whole than in units.....	3810-3813	1014-1015		
Of Spring Valley Peninsula lands in original par- cels doubtful	3809	1014		
SALES REAL ESTATE				
See real estate sales.				
SANBORN TO HILL				
Real estate sale—Los Altos district.....	3701	984		
SAN CARLOS				
Very windy and unsuccessful section.....	3775	1005		
Real estate sale—Sharon Estate Co. to Foothills Development Co.	3663	972		
SAN FRANCISCO LAND				
Real estate sales made by Smith.....	3508	932		
.....	3509	932		
SAN FRANCISCO SUB-DIVISIONS				
Smith knows of restrictions in a general way.....	3830	1019		
SAN FRANCISQUITO CREEK				
Method of diverting.....	3920			
.....	3921	1039		
Possibility of diverting.....	3916	1038		
SAN MATEO DISTRICT				
Hobart to Clarke—real estate sale.....	3522	936		
Lynch to Hooker & Lent—real estate sale.....	3513	933		
O'Connor to Husing—real estate sale.....	3792	1010		
Situation differs from situation at Woodside, as to development	3856	1025		
.....	3857	1026		
SAN MATEO LANDS				
Placed for sale with Smith.....	3339			
.....	3340	888		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
SAN PEDRO RANCH				
Location of	3941	1043		
SANTOS PROPERTY				
Compared with Callaghan property	3622	962		
Compared with Claffey property	3621	962		
Compared with Peninsula lands of Spring Valley Water Co.	3621	962		
Woodside district, price paid.....	3651½	969		
SAWYER MR.				
San Francisco physician who operates in real estate	3714	986		
SAWYER TO CONNOLLY				
Real estate sale—Menlo district.....	3696	982		
SAWYER TO FITZHUGH				
Real estate sale—Woodside.....	3656	970		
SAWYER TO GREENWOOD				
Real estate sale—Woodside district.....	3685	978		
SAWYER TO HOOVER				
Real estate sale—Coast district.....	3720	989		
SAWYER TO SACHS				
Real estate sale—Woodside district.....	3684	978		
SAWYER TO TURNER				
Real estate sale—Los Altos district.....	3700	984		
SCALMININI LAND				
Sold to Spring Valley Water Co.	3884	1032		
Walnuts can be grown on portions of it.....	3886	1033		
SCARPAS LAND				
Description and valuation (Smith).....	3318	884		
.....	3319	884		
Highest value for agriculture (Smith).....	3876	1030		
Location of (Smith)	3202	845		
Method of appraisal (Smith).....	3765	1001		
.....	3766	1002		
Sale to Grainger.....	3202	845		
Sparsely timbered	3840	1021		
Timbered portion enhanced by Spring Valley property	3840	1021		
Value affected by proximity to San Francisco and State Highway (Smith).....	3876	1030		
Worth more by itself than tied to Spring Valley property (Smith)	3838	1021		
.....	3839	1021		
SCHABERG LAND				
Roads by which it is reached.....	3760	1000		
SCHLESSINGER PROPERTY				
Menlo district, sale of.....	3645	968		
Not comparable with Burke place.....	3647	968		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
SCHWARTZ TO HOOVER				
Real estate sale—Coast district.....	3719	989		
SCOFIELD TO BLACK				
Real estate sale—Woodside Ridge.....	3690	980		
SCOTT LAND				
Purchase price April 1914.....			3092	813
SCREEN TANK LOT				
Value affected by "backdoor" entrance.....	3459	919		
SELBY TO PATTON				
Real estate sale—Woodside.....	3679	976		
SERVEAU TO GRAVES				
Real estate sale—Peninsula lands.....	3659	971		
SEWAGE				
A serious question on parcel 36 (Oliver).....	3951	1046		
SHARON ESTATE CO. TO FOOTHILLS DEVEL- OPMENT CO.				
Real estate sale—San Carlos district.....	3663	972		
SHARON PURCHASES				
Real estate sales—Menlo Park district.....	3667	973		
.....	3671a	974		
SHARON TO MORSEHEAD				
Real estate sale—Woodside.....	3678	976		
SHERWOOD LAND				
Location of	3425	911		
SHINE TO GREEN et al				
Real estate sales—Woodside.....	3659	971		
SHINE TO REIS				
Real estate sales—Woodside.....	3679	976		
SHORE LINE INVESTMENT CO. TO HOOVER				
Real estate sale—Coast district.....	3719	989		
SILVA TRACT				
Acre for acre is less valuable than Huntington				
Park tract	3554	944		
Could not be successfully divided into town lots..	3790	1010		
Method of valuation (Smith).....	3543	941		
.....	3554	944		
SIX TO ONE METHOD				
Would be employed in sub-dividing and develop- ment of Merced by Martin.....	4040-4042	1067		
SMITH, NORWOOD B.				
Direct examination	3185	840		
.....	3237	859		
.....	3297	879		
Cross examination	3308	882		
.....	3384	901		
.....	3407	904		
.....	3492	928		
.....	3585	952		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
SMITH, NORWOOD B.—Continued.				
Cross examination (continued).....	3587	952		
.....	3670	974		
.....	3712	986		
.....	3760	1000		
Re-direct examination	3761	1000		
.....	3785	1008		
.....	3815	1016		
Re-cross examination	3816	1016		
.....	3879	1031		
Absorption of land, defined.....	3753	998		
Agricultural lands, had experience in valuation of	3814	1015		
Appraisal, method adopted without lakes.....	3731-3733	993		
Appraisal, method used in valuing Carolan prop- erty	3845-3854½	1023-1025		
Appraisal Peninsula lands took 4 months.....	3389	902		
Appraised the Husing land prior to sale.....	3434	913		
Average selling prices in Woodside and other dis- tricts	3770	1003		
Average value of sales on Peninsula lands west of lakes, including West Union.....	3801	1012		
Average value of sales over 20 acres, including improvements, Menlo district (Peninsula lands) \$84.95 per acre.....	3801	1012		
Bent trees lessen land values.....	3348	891		
Buri Buri Ridge would influence prices and devel- opment of Peninsula lands.....	3774	1005		
Buri Buri Ridge would have appraised higher if well wooded	3778	1006		
Carolan lands appraised so as to get a check on Peninsula lands	3767	1002		
Carolan land, gradations and appraisal.....	3768			
.....	3769	1003		
Carolan land, index of maximum price of Penin- sula lands (east side).....	3769	1003		
Carolan property, general remarks.....	3483-3854½	1022-1025		
Carolan property not comparable with Cahill and Sawyer Ridges	3778	1006		
Crystal Springs Dam, removal of would lessen value	3471	922		
Claffey land appraised at 60% of Rengstorff price	3397	904		
Clarke land, location of.....	3769	1003		
Climate on Peninsula lands.....	3493-3494	928		
Climatic conditions compared—Menlo Park, Claf- fey and Spring lands.....	3394	903		
Climatic conditions defined.....	3350	891		
Climatic conditions of different sections.....	3359-3362	894-895		
Comparison, Burke and Fitzhugh lands.....	3478-3481	924-925		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
SMITH, NORWOOD B.—Continued.				
Comparison Carolan land with Parcel 90.....	3778	1006		
Comparison Claffey and Morsehead lands.....	3475-3477	923-924		
Comparison Crocker and Pope lands—La Honda..	3715	987		
Comparison Exhibit No. 55 and page 1, photos..	3411	907		
Comparison market value of large and small acreages	3728	991		
Comparison of development of Woodside with Peninsula lands	3774	1005		
Comparison of wind conditions on Kohl and Pen- insula lands	3374	898		
Comparison of values of Kohl and Peninsula lands	3762	1001		
Comparison of Woodside and Buri Buri Ridge lands	3750	997		
Comparison Peninsula and Waddell Creek lands..	3463	920		
Comparison of climate Claffey and Rengstorff lands	3407	906		
Comparison of Husing and Rengstorff lands.....	3398	904		
Comparison of valuations Burke and Marchand lands	3427	911		
Connolly land, final value.....	3729	992		
Connolly land, retail value not considered.....	3725	991		
Considers himself only man competent to appraise Peninsula lands	3833	1020		
.....	3834	1020		
Cost of sub-dividing, etc. and putting Spring Val- ley Peninsula lands on the market.....	3864-3866	1027-1028		
Cost of properly developing Peninsula lands.....	3298	879		
Could not say how much the lake view added in value to each parcel	3746	996		
Country estates in San Mateo and Santa Clara Counties handled only by his firm.....	3761	1000		
Country estate improvements average \$18,000....	3781	1007		
Country estates, subdivision of Peninsula lands to form	3779	1006		
.....	3780	1007		
.....	3782	1007		
Crocker land, La Honda about \$45 per acre....	3715	987		
Defines absorption of land.....	3753	998		
Description of submerged land	3757	999		
Description of the land sold on Woodside district	3772	1004		
Detailed description and valuation Peninsula lands	3242	860		
.....	3271	869		
Details of Pope land purchase	3482	925		
.....	3483	925		
Development, cost of, Peninsula lands.....	3298	879		
Discussion of purchase and sale price of Husing land	3435-3437	913		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
SMITH, NORWOOD B.—Continued.				
Elements considered in determining valuations....	3746-3750	996-997		
Elkins land is a very windy place.....	3374	898		
Fitzhugh land, re-sale prices of.....	3772	1004		
Fog conditions San Gregorio-LaHonda.....	3380			
.....	3381	900		
.....	3486	926		
Fog—conversation with Woodham.....	3483	925		
General remarks on Carolan property.....	3843-3854½	1022-1025		
Grainger land—condition at time of sale.....	3761	1000		
Had Buri Buri Ridge been well wooded would have appraised higher.....	3778	1006		
Half Moon Bay Road a back door entrance.....	3459	919		
Half Moon Bay Road an attractive drive.....	3461	920		
Has had experience in valuation of agricultural lands	3814	1015		
Hoover land—value after purchase.....	3723	991		
.....	3727	991		
How the Peninsula lands would be sub-divided to form country estates.....	3779	1006		
.....	3780	1007		
.....	3782	1007		
Husing land very much superior to adjoining land..	3438	913		
Husing land purchase and sale price of.....	3435-3437	913		
If dam was removed Peninsula lands would have a value of \$100,000 less.....	3471	922		
Kohl land—advantages of location.....	3762	1001		
Lack of accessibility reflected in valuations of Peninsula lands	3381	900		
La Honda lands affected by draught.....	3395	903		
Lakes add value to Peninsula lands.....	3194	843		
Lake view at Woodside entered into value of lands	3751	998		
Lake view, don't know value added to each par- cel by	3746	996		
Lake view land, appraised at \$600 per acre.....	3752	998		
Less tare in La Honda than west side Peninsula lands	3774	1005		
List of real estate sales in Woodside.....	3678-3689	976-980		
Location of Clarke land bought from Hobart.....	3769	1003		
Localities where winds are prevalent.....	3357	893		
.....	3358	984		
Los Altos winds described	3410	907		
Market values defined.....	3722	990		
.....	3723			
Marchand land considered low grade property....	3426	911		
Marchand land, reason for referring to sale price	3430	912		
Market values should include cost of the physical structures	3754	999		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
SMITH, NORWOOD B.—Continued.				
Menlo district land values.....	3627	964		
Menlo district, total real estate sales.....	3697	983		
Method adopted for appraising land without the lakes	3731-3733	993		
Method of valuation of Peninsula lands.....	3302	880		
	.....3796-3805	1010-1013		
	.....3867-3871	1028-1029		
	.....3444-3446	915		
	.....3451-3456	917-918		
	.....3465-3467	921		
Method of valuing various parcels of Peninsula lands	3533	938		
	3537	940		
	3570	948		
	3573	949		
	3574	949		
	3575	951		
Method of valuing South San Francisco lands.....	3538	940		
	..... 3542	941		
Moore, C. C., land, not familiar with.....	3464	920		
Neighborhood would influence the development of Peninsula lands	3773	1004		
No changes made in appraisal.....	3390	902		
No comparison between Carolan land and Cahill and Sawyer Ridges	3778	1006		
No experience in buying reservoir land.....	3759	1000		
No knowledge of Maynard's or Cassidy's homes.....	3391	902		
Only his firm handled country estates in San Mateo and Santa Clara counties.....	3761	1000		
Parcel 73, pocketed and comparatively inaccessible	3457	918		
Parcel 90, climatic conditions, wind no particular detriment	3412	907		
Parcel 105, Peninsula lands, described and com- pared with Bassetti land.....	3424	910		
	..... 3425	911		
Parcel 191, method of appraising.....	3440			
	..... 3441	914		
Peninsula lands, against which separate appraisals were checked	3726	991		
Peninsula lands cannot be sub-divided like El Cerrito, etc.	3762	1001		
Peninsula lands compared with La Honda.....	3377			
	..... 3378	899		
Peninsula land contains some high grade estate land	3310	882		
Peninsula lands could be disposed of as a baronial estate	3490	927		
Peninsula lands, divided by lakes, offered to a syn- dicate would bring less than appraisal.....	3783	1008		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
SMITH, NORWOOD B.—Continued.				
Peninsula lands have a market value of \$1,600,000..	3490	927		
Peninsula lands not valued for water purposes.....	3731	993		
Peninsula lands, total value.....	3297	879		
Peninsula lands valued as a whole tract.....	3442-3444	914-915		
Pilarcitos Canyon land worth 10 times as much as Waddell Creek land.....	3469	922		
Peninsula lands would have been salable at \$1,600,- 000 in 1913.....	3785	1008		
Photographic description of Peninsula lands.....	3267	868		
.....	3272	869		
.....	3299	879		
.....	3308	882		
.....	3347	890		
Physical structures do not add to the value of the land	3754	998		
Pocketed land, values explained.....	3431-3433	912		
Pope land purchase, details of.....	3482	925		
.....	3483			
Possibility of sale of Peninsula lands adjoining Hillsboro	3488	926		
Qualifications	3185	840		
.....	3188	841		
.....	3386	901		
Real estate sales made by.....	3308	882		
.....	3310	882		
Real estate sales made in Los Altos District.....	3698	983		
.....	3705½	985		
Reasons why Law purchased the Rengstorff land...	3399	904		
Redwood trees add to the value of the land.....	3343	889		
Redwood trees, location of on Peninsula lands.....	3342			
.....	3343			
.....	3344	889		
Rengstorff land comparable to the whole of Claffey land	3398	904		
Rengstorff land was purchased by Law for a special purpose	3782	1007		
Rengstorff land, sale to Law.....	3396	904		
Represented Sawyer in the purchase from Thomp- son to Smith.....	3719	989		
Re-sale prices of the Fitzhugh land.....	3772	1004		
Reservoir and residential lands, same value.....	3758	1000		
Reservoir land, no experience in buying.....	3759	1000		
Residences reached by Half Moon Bay Road.....	3460	919		
Ridge lands defined.....	3384	901		
San Carlos very windy and unsuccessful section....	3775	1005		
San Francisco real estate sales.....	3508	932		
.....	3509	932		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
SMITH, NORWOOD B.—Continued.				
Scarpas land, how and when appraised.....	3765	1001		
.....	3766	1002		
Schaberg land, roads to.....	3760	1000		
7000 acres of Peninsula land might be disposed of for game preserves.....	3860-3862	1026-1027		
Sherwood land, location of.....	3425	911		
Some portions of Peninsula lands could be sold for pasture and some for farming.....	3860	1026		
Spring Valley land not as good as land sold by wit- ness from standpoint of country estates.....	3802	1012		
Spring Valley Peninsula lands suitable for residences	3188	841		
South San Francisco lands, method of valuing....	3538	940		
.....	3542	941		
Southern Pacific vs. Doyle, suit in re right of way..	3629½	964		
Sub-division costs in putting Peninsula land on market	3864	1027		
.....	3866	1028		
Submerged land valued at \$132 an acre.....	3756	999		
Submerged land, unable to state value of.....	3753	998		
Submerged land, described.....	3757	999		
Tare in La Honda less than in west side Peninsula land	3774	1005		
The smaller the holding the higher the price per acre	3263	867		
Total acreage sold in Woodside District.....	3771	1004		
Total real estate sales in Menlo District.....	3697	983		
Total valuation of Peninsula lands.....	3297	879		
Trade, defined as an exchange of land.....	3720	989		
Trees and winds considered incidental.....	3776	1005		
Tree comparison of Peninsula and Carolan lands... ...	3375 3376	898		
Unit method employed in valuation of Peninsula lands	3587	852		
.....	3617	961		
University Realty Co., offers to sell land.....	3385	901		
Valuations increased by view of the lakes.....	3473 3474	923		
Valuations of various parcels with lake view ex- plained	3734-3745	994-996		
Valuations on various parcels explained.....	3448-3450	916		
Valuation too high for speculative investment.....	3490	927		
Valued the submerged land as residential land.....	3758	1000		
Values of sub-divisions and adjacent lands.....	3763 3764	1001		
Waddell Creek lands were bought at market values.	3721	990		
Wind, where prevalent.....	3357	893		
Winds, origin and direction of.....	3363-3365	895-896		
Winds on Peninsula lands compared to Woodside, etc.	3776	1005		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
SMITH, NORWOOD B.—Continued.				
Wind comparison of Peninsula lands with Burlingame, etc.	3372	897		
Wind conditions on Fitzhugh land.....	3409	907		
Winds, duration of on Peninsula.....	3368	896		
Woodham, conversation with on fog.....	3483	925		
Woodside District, description of land sold.....	3772	1004		
Woodside District, notorious for dryness.....	3662	971		
Woodside District, total acreage sold.....	3771	1004		
Woodside lands more accessible than Parcel 73....	3457			
.....	3458	919		
Would not advise purchase of Spring Valley Peninsula land at appraised value.....	3878	1031		
SMITH TO HILL				
Real estate sale—Los Altos District.....	3702	984		
SMITH TO LAW				
Real estate sale—Woodside.....	3688	979		
SOUTHERN PACIFIC SUIT				
For right of way between Middlefield and San Francisquito Creek	3672	974		
Vs. Doyle	3629½	964		
SOUTH SAN FRANCISCO LAND				
General remarks on by Smith.....	3529	937		
.....	3533	938		
High land along railroad track more available for factory sites than Spring Valley land.....	3532	938		
Highest purpose is for factory sites.....	3529	937		
Method of valuation employed by Smith.....	3538	940		
.....	3542	941		
Sales by Smith.....	3523	936		
SNEIDER TO HILL				
Real estate trade—Menlo District.....	3696	982		
SOMERS RULE				
Of valuation used by Paschell.....	4123	1089		
.....	4124			
SOIL				
Description of the Ravenswood Marsh, Faber lands	3919			
	3920	1039		
SPLIVALO LAND				
For sale at Belmont.....	3514	933		
.....	3515	934		
SPRINGS				
Does not know the number in Mocho country.....			3406	906
ST. FRANCIS WOOD				
Compared with Merced lands.....			3151	831
Comparison with Merced lands of cost of development (McDuffie)			3121	822
.....			3122	823

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
ST. FRANCIS WOOD—Continued.				
Cost of improvements.....			3121	822
Has more marine view than Balboa Terrace.....			3155	832
Offer of \$4000 an acre made by Spring.....			3173	838
.....			3175	
120 acres, of 176 acres has marine view.....			3154	832
Original cost and terms of purchase.....			3118	822
Re-sale at \$3000 an acre.....	3989	1054		
STATE HIGHWAY				
Development of	4002	1058		
STEVENS CREEK DISTRICT				
Abbuhl to Greenwood—real estate sale.....	3713	986		
SUB-DIVISIONS				
Hopkins property—Palo Alto, developed and sold by Smith	3835	1020		
In and around San Francisco.....	4075-4078	1075-1076		
In San Francisco, reference to sales, development, etc.	4094-4097	1081-1082		
Made and handled by Martin.....	4009	1060		
Of Peninsula lands, cost, etc., of sub-dividing and putting on market (Smith).....	3864-3866	1027-1028		
Of Peninsula lands made by Smith.....	3834	1020		
.....	3835			
Of Spring Valley Peninsula lands not logical for estates	3802-3804	1012		
Of Tacoma Land Co.'s La Honda property, made and sold by Smith.....	3835	1020		
Restrictions detrimental to country estates.....	3816-3829	1016-1019		
.....	3831			
.....	3832			
Restrictions an aid to sale.....	3830	1019		
Six to one method should be employed on Merced land (Martin)	4040-4042	1067		
Ten years for syndicate to sell Lake Merced lands..	4006	1059		
Value of sub-divisions adjacent to Lake Merced lands	4045-4064	1068-1072		
SUB-DIVISIONS SAN FRANCISCO				
Climatic conditions of.....	4010	1060		
General remarks by Martin.....	4012-4014	1061		
SUBMERGED LAND				
Described by Smith.....	3757	999		
Unable to state the value of (Smith).....	3753	998		
Valued at \$132 an acre (Smith).....	3756	999		
Valued as residential land (Smith).....	3758	1000		
SUTRO LAND				
Offer of Urban Realty Improvement Co. to buy....			3084	809
SUTRO, CHAS, TRACT				
Compared with Parcel 2 Merced lands as to value..			3143	829

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
TACOMA LAND CO. TO HAYWARD				
Real estate sale—La Honda.....	3718	988		
TACOMA LAND CO. TO PETERS				
Real estate sale—La Honda.....	3718	988		
TACOMA LAND CO. TO SMITH				
Real estate sale—La Honda.....	3717	988		
TACOMA LAND CO. TO SNIDER				
Real estate sale—La Honda.....	3717	988		
TACOMA LAND CO. TO WILSON, AS TRUSTEE				
Real estate sale—La Honda.....	3717	988		
TACOMA LAND CO. AND FITZPATRICK TO HILL				
Real estate sale—La Honda.....	3717	988		
TACOMA LAND CO. PROPERTY				
La Honda sub-division developed and sold by Smith	3835	1020		
TACOMA MILL CO. LAND				
Location of	3716	987		
TACOMA LAND CO. TO HOOPER, CONNOLLY & BEATTY				
Real estate sale—La Honda.....	3715	987		
THOMPSON TO SMITH				
Real estate sale—Coast District.....	3719	989		
TIMBER				
On Scarpas property (Peninsula land) very sparse..	3840	1021		
TITUS, LOUIS				
Offer to purchase Westgate Park Co. land.....			3085	810
TOPOGRAPHY				
Of Merced lands.....			3071	805
.....			3072	806
TRADE				
Defined as an exchange of land.....	3720	989		
TRANSPORTATION				
Facilities of Merced lands.....			3072	806
.....			3074	807
Parcel "C" Merced lands.....			3170	837
.....			3171	
To Merced land when Twin Peaks tunnel is completed	4023	1063		
TREES				
Back of Hillsboro all wind blown.....	3777	1006		
.....	3859	1026		
Bent ones lessen land values.....	3348	891		
Cause of their being bent.....	3348	890		
Considered incidentally on Peninsula lands.....	3776	1005		
Location of bent trees.....	3349	891		
On Brandt-Hansen land, condition of.....			4153	1097
Shape on Spring Valley lands due to wind.....	3366	896		
Wind swept, other points outweigh this objection..	3412	907		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
TREES, FRUIT				
In Calaveras Valley, condition of.....			4140-4142	1093
TREES, REDWOOD				
Virgin growth on Crocker (or Kneedler) land La Honda	3715	987		
TUCHSEN, H. C.				
Direct examination	3880-3888	1031-1033		
Cross examination	3888-3912	1033-1037		
Appraisal of land could only be made by grading..	3882	1032		
Appraised Parcel 105 at \$350 per acre.....	3910	1037		
Bassetti and Knopf lands compared.....	3885	1032		
Canada lands—location of.....	3886	1033		
Canada and Connolly lands compared.....	3887	1033		
Canada lands more desirable than the Madden land	3902	1036		
Canada lands not comparable to Woodside lands for residential purposes	3888	1033		
Climatic changes in Woodside District.....	3895	1035		
Climatic conditions on Canada lands compared.....	3910	1037		
Comparison Canada and Hooper lands for residential purposes	3886	1033		
Comparison of Knopf and Bassetti lands for residential purposes	3885	1032		
Comparison of Canada and Connolly lands for residential purposes	3887	1033		
Comparison of portions of Canada lands with Connolly land	3903	1036		
Connolly and Canada lands compared.....	3887	1033		
Connolly land (Portola) is more desirable than the Bassetti land	3893	1034		
Connolly lands have more market value than Bassetti land	3899	1035		
Connolly land (Canada) description of.....	3887	1033		
Connolly land, desirability for residential purposes.	3898	1035		
Connolly land sold twice.....	3887	1033		
Difficulty of building on the Bassetti land.....	3905	1036		
Fleishacker's land—location of the barn.....	3911	1037		
Fleishacker's land protected from the wind.....	3911	1037		
Hale land has the most valuable location in Woodside	3893	1034		
Hale land—location of.....	3893	1034		
Hooper lands are more desirable than the Canada lands	3905	1037		
Knopf and Bassetti lands compared.....	3885	1032		
Knopf, Scalmanini and Bassetti lands sold by witness to Spring Valley Water Co.....	3883	1032		
Madden land cost \$275 an acre in 1911 or 1912.....	3901	1036		
Madden land had no residence site when purchased.	3901	1036		
Madden land has walnut orchard.....	3886	1033		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
TUCHSEN, H. C.—Continued.				
Madden land—location of.....	3886	1033		
Madden land not reached by public road.....	3901	1036		
Manager of J. A. Hooper property, Woodside.....	3881	1032		
Moore to Chamberlain, \$350 an acre.....	3907	1037		
No report on values made to City Attorney's office	3901	1036		
Official positions held by.....	3881	1031		
Parcel 105—description of.....	3900	1035		
Peninsula lands, not appraised by.....	3882	1032		
Qualifications	3880	1031		
Received letter on September 5, 1912, from A. S. Baldwin re Parcel 105.....	3909	1037		
San Mateo County land values are governed by many considerations	3892	1034		
Time required to dispose of Peninsula lands.....	3882	1032		
Walnuts can be grown on the Knopf and Scalmanini lands	3886	1033		
Wind on the Hooper land.....	3912	1037		
Woodside has most valuable residences.....	3889	1033		
Would have been difficult to dispose of Peninsula lands in 1913.....	3882	1032		
TULES				
Indicate character of land.....	3928	1040		
When small do not produce decayed vegetation.....	3928	1041		
TWIN PEAKS TUNNEL				
Assessment not included in valuation.....			3107	818
Effect on land values.....			3160	834
.....			3161	
Value of Merced lands influenced by.....	4018	1062		
While construction was under consideration real estate values increased.....			3160	834
UNIVERSITY REALTY CO.				
Officers of	3385	901		
Sales reported	3236	859		
VALUATIONS				
Agricultural lands, experience of Smith.....	3814	1015		
Burke and Marchand lands compared (Smith).....	3427	911		
Canada lands, Parcel 105 \$350 per acre (Tuchsen).	3910	1037		
Grainger property worth 80 to 100% more tied to Spring Valley property (Smith).....	3838	1021		
Lake Merced lands, arrived at by using values of surrounding sub-divisions and properties.....	4045-4064	1068-1072		
Lake Merced lands, detail of (McDuffie).....			3104	817
Lake Merced lands, details of (Martin).....	3989-4000	1054-1058		
Lake Merced lands, details of (Paschell).....	4081-4089	1077-1079		
Lake Merced lands, factors considered in appraisal of lands (Martin).....	4017-4022	1062-1063		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
VALUATIONS—Continued.				
Lake Merced lands, factors considered in appraisal of land (Paschell).....	4078-4080	1076-1077		
Lake Merced lands, including and excluding lakes (McDuffie)			3104	817
Lake Merced lands, lakes reflected in (Paschell)..	4090	1080		
Lake Merced lands, method employed by Martin...	3988-3992	1054-1055		
.....	4014-4017	1061-1062		
.....	4044-4065	1067-1073		
Lake Merced lands, method employed by Paschell..	4115-4135	1086-1092		
Lake Merced lands, method employed in valuing Parcels 18, 19, 20, 23, 25.....	4002	1058		
Lake Merced lands, method employed, various sales and values of adjacent properties, etc.....	4081-4090	1077-1080		
Lake Merced lands, method of arriving at.....	4004	1059		
Lake Merced lands, method used (McDuffie).....			3076	807
.....			3077	
Lake Merced lands, pipe line, right of way, Central Pumping station 5c per square foot.....	4126	1090		
Lake Merced lands, real estate sales used in ap- praisal (Paschell)	4109	1085		
.....	4111	1086		
Lake Merced lands, "Somers Rule" used on by Paschell	4123	1089		
.....	4124	1089		
Lake Merced lands, total (Martin).....	3988	1054		
Lake Merced lands, total (Paschell).....	4088	1079		
Menlo District lands (Smith).....	3627	964		
Millbrae pumping property, method employed by Smith	3555	944		
.....	3556	945		
Not the market value as of December 31, 1913 (Oliver)	3953	1047		
Ocean Shore Right of Way, 17.05 acres \$21,312.50 (Martin)	4008	1060		
Parkside per front foot (Paschell).....	4093	1080		
Peninsula lands, average of Parcel 5-2 \$58.45 (Smith)	3802	1012		
Peninsula lands, average per acre, including Phelps Tract (Smith)	3802	1012		
Peninsula lands, detailed (Smith).....	3242	860		
.....	3271	869		
Peninsula lands, detail of (Smith).....	3299	879		
.....	3308	882		
Peninsula lands, does not include roads and dams (Smith)	3813	1015		
Peninsula lands, elements considered in determining (Smith)	3746-3750	996-997		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
VALUATIONS—Continued.				
Peninsula lands, figured that the lake remains as at present when Parcel 36 was valued.....	3951	1046		
Peninsula lands, if dam was removed valuation would be \$100,000 less (Smith).....	3471	922		
Peninsula lands, improvements considered.....	3813	1015		
Peninsula lands, increased by view of the lake (Smith)	3473			
.....	3474	923		
Peninsula lands, lands with lake view valued at \$600 per acre (Smith).....	3752	998		
Peninsula lands, method employed by Smith.....	3533	933		
.....	3537	940		
.....	3570	948		
.....	3573	949		
.....	3574	949		
.....	3575	951		
.....	3789	1009		
.....	3790	1009		
.....	3796-3805	1010-1013		
.....	3845-3854½	1023-1025		
.....	3867-3871	1028-1029		
Peninsula lands, method employed in valuing Claffey property (Smith)	3560	946		
.....	3561			
Peninsula lands, method employed in valuing Parcel 2 (Smith)	3675	975		
.....	3676			
Peninsula lands, method of valuation of Parcel 40 by Smith	3557	945		
Peninsula lands, method employed to appraise land surrounding lakes (Smith).....	3731	993		
.....	3733			
Peninsula lands, methods explained (Smith).....	3448-3450	916		
Peninsula lands, method of valuing (Smith).....	3444-3446	915		
.....	3451-3456	917-918		
.....	3465-3467	921		
Peninsula lands, no change in 10 years prior to 1913 (Oliver)	3953	1047		
Peninsula lands, parcels with lake view.....	3734-3745	994-996		
Peninsula lands, Smith's unit method.....	3804	1012		
.....	3805	1013		
Peninsula lands, too high for a speculative investment (Smith)	3490	927		
Peninsula lands, total (Smith).....	3297	879		
Peninsula lands, total arrived at by gradations (Smith)	3573	949		
Peninsula lands, unit method employed in.....	3587	952		
.....	3617	961		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
VALUATIONS—Continued.				
Peninsula lands, water producing purposes considered (Smith)	3726	991		
Peninsula lands, would have been higher if well wooded (Smith)	3778	1006		
Peninsula lands, would not advise a client to purchase at half his values (Oliver).....	3972	1051		
Peninsula lands, would not be affected by wind swept trees on high grade properties (Smith)....	3777	1006		
Peninsula lands, would not permit a client to buy Spring Valley land at his appraisal (Oliver)....	3953	1047		
Physical structures, list of proposed advisory engineers (Greene)			3706-3712	986
Physical structures not included in values of the land (Smith)	3754	998		
Report, none made to the City Attorney's office (Tuchsen)	3901	1036		
Scarpas property, value not increased by Spring Valley property (Smith).....	3838	1021		
.....	3839			
Scarpas property, timbered portion enhanced by Spring Valley property (Smith).....	3840	1021		
Silva Tract, method employed by Smith.....	3543	941		
.....	3554	944		
South San Francisco lands, method employed by Smith	3538	940		
.....	3542	941		
Submerged land at \$132 an acre (Smith).....	3756	999		
Submerged land, could not state the value of (Smith)	3753	998		
WADDELL CREEK LANDS				
Compared with Peninsula lands.....	3463	920		
Were bought at market value (Smith).....	3721	990		
WADDELL ESTATE TO HOOVER				
Real estate sale—Coast District.....	3718	989		
WALNUT ORCHARD				
On Madden land	3886	1033		
WALNUTS				
Can be grown on Knopf and Sealmanini lands.....	3886	1033		
WARREN PROPERTY				
Compared with Spring Valley Peninsula lands.....	3694	968		
.....		969		
Real estate sale—Menlo District.....	3649	968		
WATER				
Calaveras lands better watershed than Mocho.....			3406	906
Lack of, has influenced sales at Los Altos.....	3971	1051		
More rainfall and more springs in Calaveras than Mocho			3406	906

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
WESTGATE PARK CO.				
Bought St. Francis Wood from Residential Development Co.			3048	809
WEST UNION CREEK LANDS				
Valuation of (Smith)	3265	868		
WHITCOMB ESTATE LAND				
Sale to Eyre December, 1913.....			3097	815
WHITCOMB PROPERTY				
Compared with Carolan property.....	3849-3851	1024		
Sale considered in valuation of Parcels 18, 19, 20, 23				
Lake Merced lands (Martin).....	4002	1058		
Value \$1000 per acre (Martin).....	4044	1068		
WICKSON, E. J.				
Direct examination			4136	1092
.....			4142	1094
Cross examination			4143	1098
.....			4157	1098
Calaveras Valley adapted to horticulture.....			4150	1096
Characteristics, indications, etc., of alkali.....			4155-4157	1098
Did not find direct indications of alkali on Chabot and Hewlett lands.....			4138	1092
Difference in black and white alkali.....			4154	1097
Drainage of Calaveras Valley.....			4145-4147	1094-1095
Examination of Chabot land for indications of alkali			4144	1094
Fruits are successfully grown in Calaveras Valley..			4140	1093
General remarks on farming.....			4151	1097
.....			4152	
Good farming ought to bring crops on Chabot and Hewlett land			4139	1093
Orchards and conditions of, in Calaveras Valley....			4140-4142	1093
Ordinary indications of alkali.....			4138	1092
.....			4143	1094
Qualifications			4136	1092
WILSON LAND				
La Honda, bought for Mrs. Crocker.....	3716	988		
WINCKLER TO HALE				
Real estate sale.....	3891	1034		
WINDS				
Are hurricanes on Spring Valley lands.....	3367	896		
Comparison of, on Peninsula lands, Woodside, etc..	3776	1005		
Comparison of Peninsula lands and Burlingame, Los Altos etc.	3372	897		
Conditions in and around Woodside.....	3959			
.....	3960	1049		
Considered as incidental on Peninsula land values...	3776	1005		
Described, Los Altos District.....	3410	907		
Duration of, on Peninsula.....	3368	896		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
WINDS—Continued.				
Localities where prevalent.....	3357	893		
.....	3358	894		
On Fitzhugh land.....	3409	907		
On the Fleishacker land.....	3911	1037		
On the Hooper land.....	3912	1037		
On the State Highway.....	3367	896		
Origin and direction of.....	3363-3365	895-896		
Parcel 90, objection outweighed by other advantages	3412	907		
See also climate and climatic conditions				
WIND SWEEPED LANDS				
See climatic conditions				
WOLFF LAND				
Bought of Bernoli	3210	849		
WOODHAMS TO POPE				
Real estate sale	3714	987		
WOODSIDE DISTRICT				
All sales made by Smith	3678-3689	976-980		
Average selling price per acre \$129	3771	1003		
Climate better than in Canada District.....	3636	966		
Compared with Peninsula lands	3581	951		
.....	3584	952		
Comparison of development with Peninsula lands...	3774	1005		
Description—Byrne-McCarthy property	3660	971		
Connolly property	3653	969		
.....	3655	970		
Drexler property	3681	977		
Greenwood property	3683	978		
Morsehead property	3796	1010		
.....		1011		
of the rough land sold by Smith.....	3772	1004		
Development, deterrent influences	3858	1026		
Fitzhugh land, re-sale of	3772	1004		
Greenland, compared with Burke property	3669	971		
Hooper land, more attractive than Bassetti property	3662	971		
Martinez, Jose Antonio property sub-divided and				
sold by Smith	3834	1020		
.....	3835			
Notorious for its dry condition	3662	971		
Real estate sales—Alexander to Law	3658	971		
.....	3682	977		
WOODSIDE DISTRICT				
Real estate sale—American Land & Water Co. to				
Law (Smith)	3657	970		
.....	3688	980		
Baronda to Brown	3685	978		
Byrne to McCarthy	3660	971		
Clamer to Drexler	3680	977		
Compte to Forderer	3678	976		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
WOODSIDE DISTRICT—Continued.				
Real estate sale—Continued.				
Connolly to Sawyer	3684	978		
.....	3688	979		
Dixon to Santos	3585	952		
.....	3651½	969		
Dixon to Sharon	3678	976		
Faber to Greenwood	3680	977		
.....	3681	977		
Faber to Law	3657	970		
Faber to Noyes	3685	978		
Faber to Sawyer	3682	977		
Gingg to Ebeneter	3688	979		
Gingg to Hyde	3686	979		
Greenwood to Connolly	3683	978		
Greenwood to Fitzhugh	3685	978		
Greenwood to Hooker & Lent..	3681	977		
Greenwood to Law	3679	976		
Hale to Meyerstein	3665	972		
Halliday to Sharon	3678	976		
Hatfield to Connolly	3653	969		
.....	3683	977		
Kelly to Patton	3679	976		
Lynch to Hooker & Lent.....	3688	979		
Moxey to Fasso	3662	971		
Munson to Graves	3662	971		
.....		972		
Nehman to Fitzhugh	3685	979		
Noyes to Gingg	3688	979		
Orton to Connolly	3651½	969		
.....	3683	978		
Patton to Peters	3686	979		
Patton to Tillman	3684	978		
Quinn to Brown	3689	980		
Rengstorff and Brown to Law	3688	980		
Romero to Greenwood	3679	976		
Sawyer to Fitzhugh	3656	970		
Sawyer to Greenwood	3685	978		
Sawyer to Sachs	3684	978		
Selby to Patton	3679	976		
Sharon to Morsehead	3678	976		
Shine to Green et al.....	3659	971		
Shine to Reis	3679	976		
Smith to Law	3688	979		
Santos property, price paid for.....	3651½	969		
Situation as to development differs from that at San				
Mateo District	3856	1025		
.....	3857	1026		

INDEX

	Defendant		Plaintiff	
	Record	Abstract	Record	Abstract
WOODSIDE DISTRICT—Continued.				
Total acreage sold by Smith	3771	1004		
Total real estate sales made by Smith.....	3689	980		
Where the climatic changes occur	3895	1035		
WOODSIDE LANDS				
Accessibility of Talbot and Hooper lands.....	3457	919		
.....	3458			
Canada lands inferior for residential purposes.....	3888	1033		
Comparable to Buri Buri Ridge lands.....	3750	997		
Comparable to Peninsula lands	3341	889		
Knowledge of (Oliver)	3847	1044		
Most valuable residences listed by Tuchsens.....	3889	1033		
WOODSIDE RIDGE DISTRICT				
Accessibility of Mayor Rolph's property.....	3691	980		
.....		981		
Noyes property comparable to Spring Valley prop- erty northwest of Pilarcitos	3692	981		
Real estate sale—Dixon to Santos.....	3690	980		
Kelly to Dixon	3690	980		
Langley to Noyes	3691	981		
made by Smith	3690	980		
.....	3692	981		
Patton to Mayor Rolph	3690	980		
Seofield to Black	3690	980		
WOODSIDE VALLEY				
More attractive than Spring Valley lands.....	3687	979		
WRIGHT TO DIXON				
Real estate sale—Los Altos District.....	3700	984		
YOUNG TO DOXEY				
Real estate sale—Redwood City	3663	972		

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